

STATE BUDGET AND CONTROL BOARD

Meeting of Tuesday, August 9, 2011 -- 10:00 A. M.

Room 252, Edgar A. Brown Building

AGENDA INDEX

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A.	ADOPTION OF PROPOSED AGENDA	
B.	MINUTES OF PREVIOUS MEETING	
C.	BLUE AGENDA	
1.	State Treasurer	Bond Counsel Selection
2.	Division of General Services	Easements
3.	Division of General Services	Real Property Conveyances
4.	Division of Human Resources	Appointment of State Employee Grievance Committee Members
5.	Division of Procurement Services	Procurement Audit and Certification
6.	Executive Director	Revenue Bonds
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D.	REGULAR SESSION	
1.	Employee Insurance Program	State Health Plan Benefits and Contribution Rates Effective January 1, 2012
2.	State Budget Division	Permanent Improvement Project Overdrafts
3.	State Budget Division	Permanent Improvement Projects
4.	State Budget Division	Real Property Acquisitions
5.	Division of General Services	Commission on Higher Education Lease at 1122 Lady Street in Columbia
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7.	Division of General Services	State Ports Authority Conveyance of 317.51± Acres in Port Royal to Port Royal Redevelopment Group, LLC
8.	Budget and Control Board	Future Meeting

AGENCY: State Treasurer

SUBJECT: Bond Counsel Selection

The State Treasurer's Office has provided the following notification of the assignment of bond counsel for conduit issues (for ratification of issuer's counsel only) for which Board approval is requested:

CONDUIT ISSUES: (For ratification of Issuer's Counsel only)

Description of Issue	Agency/Institution (Borrower)	Borrower's Counsel	Issuer's Counsel
\$30,500,000 SC JEDA	Tire International Env. Solutions	Parker Poe	McNair Law Firm, P.A.
\$10,000,000 SC JEDA	Be Green Packaging	Nexsen Pruet	Parker Poe
\$45,000,000 SC JEDA	Georgetown Hospital System	Haynsworth Sinkler Boyd	Pope Zeigler LLC
\$15,500,000 SC JEDA	ACE Environmental and SMJ, Inc.	Haynsworth Sinkler Boyd	Parker Poe
\$41,000,000 SC JEDA	CareAlliance d/b/a/ Roper St. Francis	Haynsworth Sinkler Boyd	Howell, Linkous & Nettles
\$8,600,000 SC JEDA	Lowcountry BioMass, LLC	Haynsworth Sinkler Boyd	Parker Poe
\$4,000,000 SC JEDA	C.R. Jackson, Inc.	Nexsen Pruet	McGuire Woods

BOARD ACTION REQUESTED:

Approve the referenced bond counsel assignment.

ATTACHMENTS:

Bond Counsel Selection Approved by the State Treasurer's Office

Items for August 9, 2011 Budget & Control Board Meeting
Bond Counsel and Issuer Counsel Selections by the State Treasurer's Office are as follows:

CONDUIT ISSUES: (For ratification of Issuer's Counsel only)

Description of Issue	Agency/Institution (Borrower)	Borrower's Counsel	Issuer's Counsel	Date STO Approved
\$30,500,000 SC JEDA	Tie International Env. Solutions	Parker Poe	McNair Law Firm, P.A.	4/27/2011
\$10,000,000 SC JEDA	Be Green Packaging	Nexsen Pruet	Parker Poe	5/18/2011
\$45,000,000 SC JEDA	Georgetown Hospital System	Haynsworth Sinkler Boyd	Pope Zeigler LLC	6/2/2011
\$15,500,000 SC JEDA	ACE Environmental and SMJ, Inc.	Haynsworth Sinkler Boyd	Parker Poe	7/14/2011
\$41,000,000 SC JEDA	CareAlliance d/b/a/ Roper St. Francis	Haynsworth Sinkler Boyd	Howell, Linkous & Nettles	7/15/2011
\$8,600,000 SC JEDA	Lowcountry BioMass, LLC	Haynsworth Sinkler Boyd	Parker Poe	7/18/2011
\$4,000,000 SC JEDA	C.R. Jackson, Inc.	Nexsen Pruet	McGuire Woods	7/18/2011

OTHER REVENUE ISSUES:

Description of Issue	Agency/Institution	Approved Bond Counsel	Date STO Approved

SPECIAL ASSIGNMENT OF BOND COUNSEL:

Description of Issue	Agency/Institution	Approved Bond Counsel	Date STO Approved

AGENCY: Division of General Services

SUBJECT: Easements

The Division of General Services requests approval of the following easement in accordance with SC Code of Laws:

- (a) County Location: Beaufort
From: Budget and Control Board
To: Hargray Telephone Company, Inc.
Consideration: \$900
Description/Purpose: To grant a 1.988 acre easement for the installation, operation and maintenance of fiber optic cable beneath the marshes of Calibogue Sound.

- (b) County Location: Beaufort
From: Budget and Control Board
To: South Carolina Electric and Gas Company
Consideration: \$944
Description/Purpose: To grant a 2.22 acre easement for the relocation, installation, operation and maintenance of an existing gas pipeline beneath Whale Branch.

- (c) County Location: Barnwell
From: Budget and Control Board
To: City of Barnwell
Consideration: \$700
Description/Purpose: To grant a 0.09 acre easement for the installation, operation and maintenance of an 18" sanitary sewer force main beneath the Salkehatchie River.

- (d) County Location: Berkeley
From: Budget and Control Board
To: South Carolina Electric and Gas Company
Consideration: \$525
Description/Purpose: On January 31, 2008, the Board approved an easement for 0.084 acre for the installation, operation and maintenance of a natural gas line and regulating station on property of the Department of Vocational Rehabilitation's Berkeley-Dorchester Office. The original easement is undersized for the infrastructure and does not include a 10' buffer required by Berkeley County. SCE&G is now requesting an additional 0.014 acre to meet these needs.

AGENCY: Division of General Services

SUBJECT: Easement

The Division of General Services requests that the Board concur and acquiesce in granting the following easement in accordance with SC Code of Laws:

- (e) County Location: Darlington
From: Florence-Darlington Technical College
To: Darlington County Water & Sewer Authority
Consideration: \$1
Description/Purpose: To approve the grant of a 1.13 acre easement for the purpose of installing and maintaining water and sewer mains to provide services to the National Guard's Field Maintenance Facility.

BOARD ACTION REQUESTED:

Approve the referenced easements.

ATTACHMENTS:

Agenda item worksheet; SC Code of Laws Sections 1-11-80, 1-11-90, 1-11-100 and 10-1-130

BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET

Meeting Scheduled for: August 9, 2011

Blue Agenda

1. Submitted by:

- (a) Agency: Division of General Services
(b) Authorized Official Signature:


Carla Griffin, Deputy Director

2. Subject: EASEMENTS

3. Summary Background Information:

The Division of General Services requests approval of the following easements in accordance with SC Code of Laws:

- (a) County Location: Beaufort
From: Budget and Control Board
To: Hargray Telephone Company, Inc.
Consideration: \$900
Description/Purpose: To grant a 1.988 acre easement for the installation, operation and maintenance of fiber optic cable beneath the marshes of Calibogue Sound.
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To: City of Barnwell
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Consideration: \$1
Description/Purpose: To approve the grant of a 1.13 acre easement for the purpose of installing and maintaining water and sewer mains to provide services to the National Guard's Field Maintenance Facility.
-

4. What is the Board asked to do? Approve the referenced easements.

5. What is recommendation of Board Division involved? Recommend approval of the referenced easements.

6. List of Supporting Documents:

SC Code of Laws Sections 1-11-80, 1-11-90, 1-11-100 and 10-1-130

SECTION 1-11-80. Board authorized to grant easements for public utilities on vacant State lands.

The State Budget and Control Board is authorized to grant easements and rights of way to any person for construction and maintenance of power lines, pipe lines, water and sewer lines and railroad facilities over, on or under such vacant lands or marshland as are owned by the State, upon payment of the reasonable value thereof.

SECTION 1-11-90. Board authorized to grant rights of way over State marshlands for roads or power or pipe lines to State agencies or political subdivisions.

The State Budget and Control Board may grant to agencies or political subdivisions of the State, without compensation, rights of way through and over such marshlands as are owned by the State for the construction and maintenance of roads, streets and highways or power or pipe lines, if, in the judgment of the Budget and Control Board, the interests of the State will not be adversely affected thereby.

SECTION 1-11-100. Execution of instruments conveying rights of way or easements over marshlands or vacant lands.

Deeds or other instruments conveying such rights of way or easements over such marshlands or vacant lands as are owned by the State shall be executed by the Governor in the name of the State, when authorized by resolution of the Budget and Control Board, duly recorded in the minutes and records of such Board and when duly approved by the office of the Attorney General; deeds or other instruments conveying such easements over property in the name of or under the control of State agencies, institutions, commissions or other bodies shall be executed by the majority of the governing body thereof, shall name both the State of South Carolina and the institution, agency, commission or governing body as grantors, and shall show the written approval of the majority of the members of the State Budget and Control Board.

SECTION 10-1-130. State institutions and agencies may grant easements and rights of way on consent of Budget and Control Board.

The trustees or governing bodies of State institutions and agencies may grant easements and rights of way over any property under their control, upon the concurrence and acquiescence of the State Budget and Control Board, whenever it appears that such easements will not materially impair the utility of the property or damage it and, when a consideration is paid therefor, any such amounts shall be placed in the State Treasury to the credit of the institution or agency having control of the property involved.

AGENCY: Division of General Services

SUBJECT: Real Property Conveyances

The Division of General Services recommends approval of the following property conveyances:

- (a) **Agency:** Department of Transportation
Acreage: 4± acres
Location: On Mill Road, Belton
County: Anderson
Purpose: To convey the surplus Belton Section Shed to the City of Belton in exchange for accepting 1.14± miles of state roads into the City's road system.
Price/Transferred To: Exchange/City of Belton
- (b) **Agency:** Department of Motor Vehicles
Acreage: 6.43± acres
Location: 438 North Highway 52, Moncks Corner
County: Berkeley
Purpose: To convey the Department of Motor Vehicles' interest in the Moncks Corner property to the Department of Transportation. As part of the Restructuring Act of 1993, the Department of Transportation received 91% interest in the property and the Department of Public Safety received 9% interest, which was subsequently transferred to the Department of Motor Vehicles when it became a stand-alone agency.
Price/Transferred To: No consideration/Department of Transportation

BOARD ACTION REQUESTED:

Approve the property conveyances as requested.

ATTACHMENTS:

Agenda item worksheet and attachments

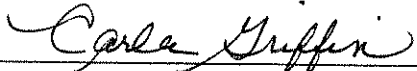
BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET

Meeting Scheduled for: August 9, 2011

Blue Agenda

1. Submitted by:

- (a) Agency: Division of General Services
- (b) Authorized Official Signature:


Carla Griffin, Deputy Director

2. Subject: REAL PROPERTY CONVEYANCES

3. Summary Background Information:

- (a) **Agency:** Department of Transportation
Acreage: 4± acres
Location: On Mill Road, Belton
County: Anderson
Purpose: To convey the surplus Belton Section Shed to the City of Belton in exchange for accepting 1.14± miles of state roads into the City's road system.
Price/Transferred To: Exchange/City of Belton
- (b) **Agency:** Department of Motor Vehicles
Acreage: 6.43± acres
Location: 438 North Highway 52, Moncks Corner
County: Berkeley
Purpose: To convey the Department of Motor Vehicles' interest in the Moncks Corner property to the Department of Transportation. As part of the Restructuring Act of 1993, the Department of Transportation received 91% interest in the property and the Department of Public Safety received 9% interest, which was subsequently transferred to the Department of Motor Vehicles when it became a stand-alone agency.
Price/Transferred To: No consideration/Department of Transportation

4. What is Board asked to do? Approve the property conveyances as requested.

5. What is recommendation of Board Division involved? Recommend approval of the property conveyances as requested.

6. List of Supporting Documents:

- 1. SC Code of Laws Section 1-11-65
- 2. (a) Department of Transportation – Anderson County
- (b) Department of Motor Vehicles – Berkeley County

SECTION 1-11-65. Approval and recordation of real property transactions involving governmental bodies.

(A) All transactions involving real property, made for or by any governmental bodies, excluding political subdivisions of the State, must be approved by and recorded with the State Budget and Control Board. Upon approval of the transaction by the Budget and Control Board, there must be recorded simultaneously with the deed, a certificate of acceptance, which acknowledges the board's approval of the transaction. The county recording authority cannot accept for recording any deed not accompanied by a certificate of acceptance. The board may exempt a governmental body from the provisions of this subsection.

(B) All state agencies, departments, and institutions authorized by law to accept gifts of tangible personal property shall have executed by its governing body an acknowledgment of acceptance prior to transfer of the tangible personal property to the agency, department, or institution.

**(a) Department of Transportation
Anderson County**

List of Supporting Documents:

1. Letter from Department of Transportation
2. Letter from City of Belton
3. Maps



Secretary of Transportation
South Carolina Department of Transportation

August 2, 2011

Ms. Carla Griffin
Deputy Director – General Services
SC Budget and Control Board
1201 Main Street, Suite 410
Columbia, South Carolina 29201

RE: 4-Acre Surplus Parcel located on Mill Road, Anderson County, MSC 211

Dear Ms. Griffin:

As a result of the South Carolina Department of Transportation (SCDOT) consolidating its maintenance operations, a 4-acre parcel and all improvements thereon has been declared surplus. The property is located in Anderson County and the SCDOT has received an appraisal on the property that indicates that the fair market value should be between \$48,000.00 and \$65,000.00, depending on the use of the property. The City of Belton is interested in obtaining this property in exchange for accepting 1.14 miles of state roads into the City road system. Said roads are as follows:

Route	Length (miles)	AADT (avg. daily traffic)	PQI (pavement quality Index)	Trade Value
S-596 (McGee St.)	0.25	156	2.12	\$ 11,430
S-572 (Lewis St.)	0.29	125	2.35	\$ 12,312
S-595 (Stringer St.)	0.26	250	2.08	\$ 12,312
S-594 (Geer St.)	0.27	94	1.88	\$ 6,613
S-925 (North St.)	0.07	215	2.15	\$ 3,200
TOTAL	1.14			\$ 45,867

The City of Belton has stated that 1.14 miles is the maximum that they can take into their system due to staff and resource limitations. Based on current formulas, factoring in traffic loads and pavement conditions, the value of the reduction in road mileage maintenance would equate to approximately \$45,867.00. It has also come to our attention that the property has been vandalized and the liability issues surrounding the state owning this improved site would be alleviated by selling it as soon as possible. Due to limited marketability in the City of Belton and the benefit to SCDOT in avoidance of future maintenance costs to both this facility and these roads, we respectfully request that this offer be accepted.

We are enclosing a copy of the appraisal and request that you forward it through normal procedures for approval. If the appraisal and this exchange proposal are acceptable, it is requested that this item be presented to the South Carolina Budget and Control Board at the August 11th meeting for approval.

Ms. Carla Griffin
August 2, 2011
Page 2

Please advise upon receiving word that all approvals have been obtained.

Sincerely,

A handwritten signature in black ink, appearing to read "R. St. Onge, Jr.", written in a cursive style.

Robert J. St. Onge, Jr.
Secretary of Transportation

RJS:kec
Enclosure
File: PC/KCF

MAYOR
RUFUS CALLAHAM

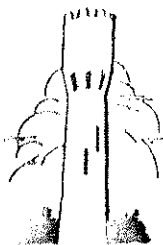
Clerk/Treasurer
LAURIE E. KENNEDY

City Administrator
DAVID WATSON

City Attorney
BILLY EPPS

TELEPHONE:
CITY HALL
(864) 338-7773
338-7774

FAX No.
(864) 338-8369



Chartered 1855

CITY OF BELTON

P.O. Box 828
Belton, S.C. 29627

COUNCIL MEMBERS

Ward 1
JEAN C. MARTIN

Ward 2
HATTIE S. GREEN

Ward 3
MARION C. NICKLES, JR.

Ward 4
WALLACE SHAW

Ward 5
WENDELL F. PAGE

Ward 6
JOHN R. CAMPBELL, JR.

March 14, 2011

Mr. Mark Dezurik, Dist. 2 Maint. Engineer
SC Department of Transportation
520 W. Alexander Avenue
Greenwood, SC 29646-4029

SUBJECT: BELTON SECTION SHED PROPERTY ON BLUE RIDGE AVE.

Dear Mark:

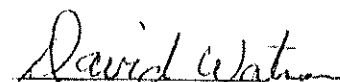
In regard to our conversation last week concerning the exchange of the total Section Shed property and all its contents located on Blue Ridge Avenue, located just outside the corporate limits, the City of Belton's final proposal is to take ownership with all responsibility and maintenance of the five state roads in exchange for the Section Shed property with all buildings. We feel this is the maximum amount of streets that we could take responsibility of, and if this meets with the State's approval, we are prepared to do this exchange upon proper documentation of the property as well as plats outlining the courses and distances of this land. The following streets that the City agrees to accept are:

- (1) McGee Street - S-4-596 0.25 mile
- (2) Lewis Street - S-4-572 0.32 mile
- (3) Stringer Street - S-4-595 0.26 mile
- (4) Geer Street - S-4-594 0.27 mile
- (5) North Street - S-4-925 0.29 mile

Please respond to us here at City Hall as soon as possible.

Sincerely,


Honorable Rufus Callahan
Mayor

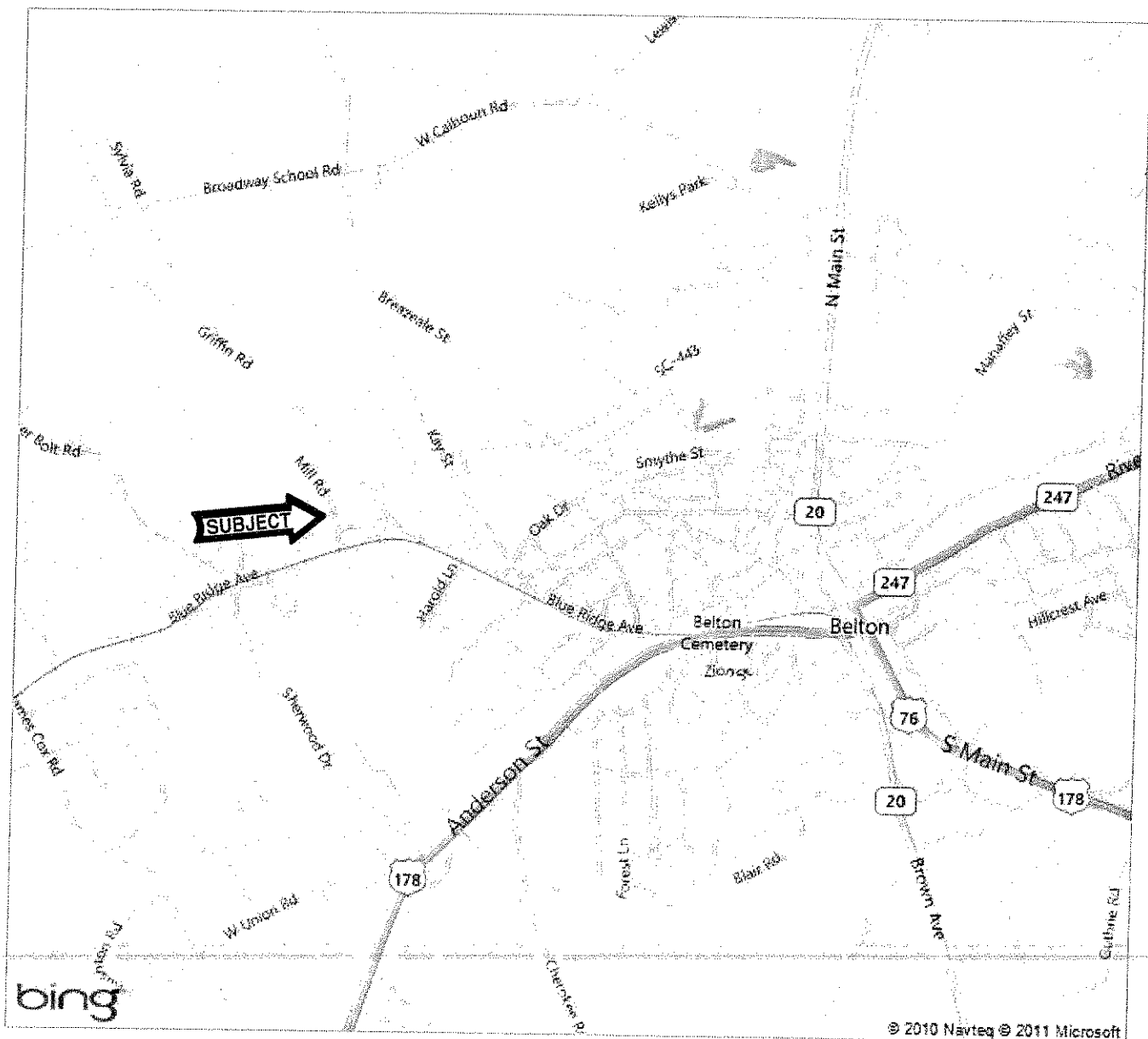
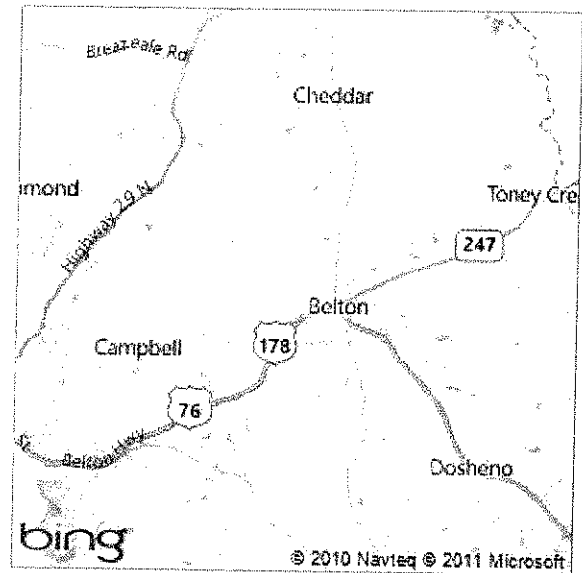

David Watson
City Administrator

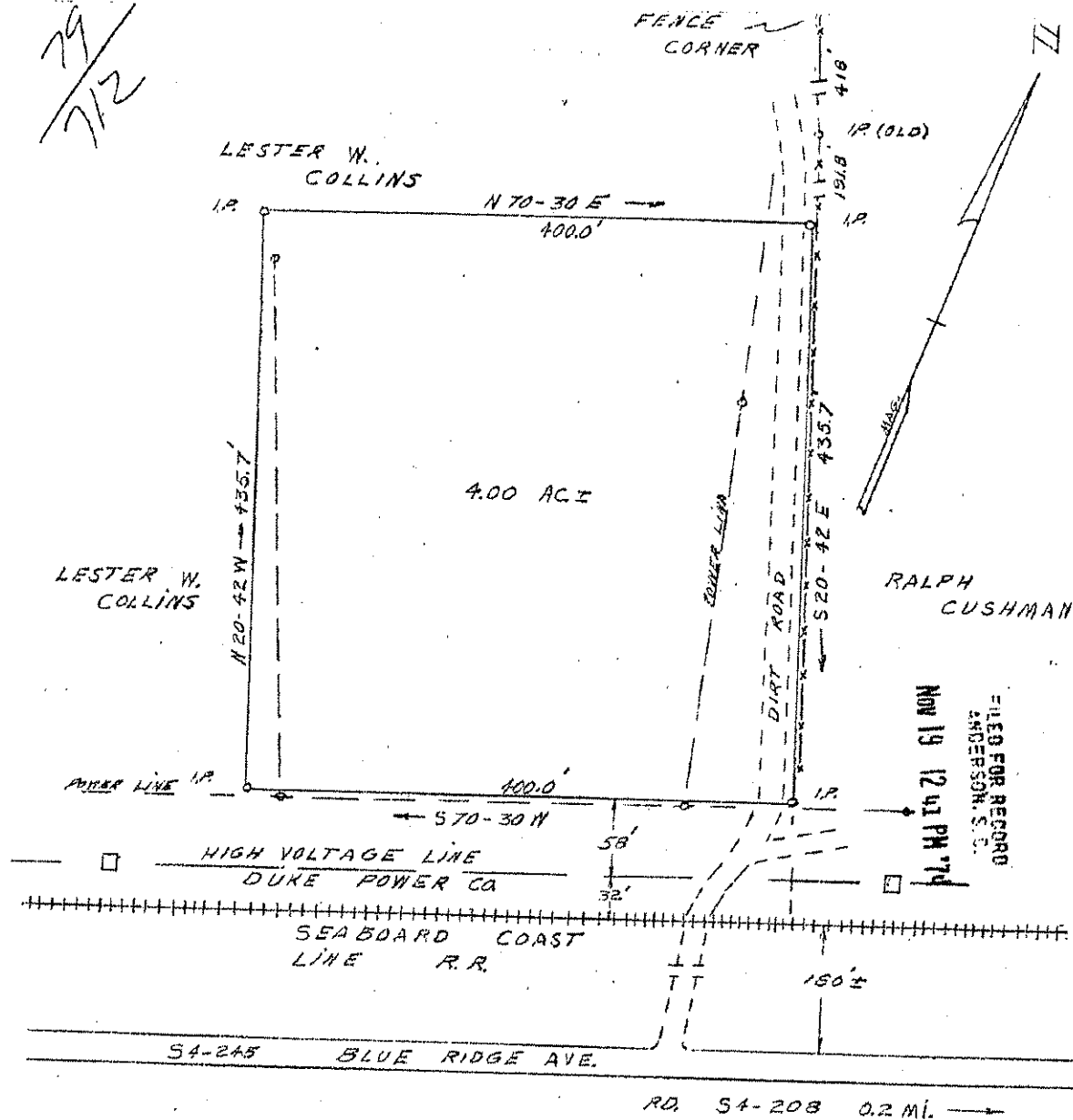
CC: Bob Burriss, Project Mgr.

RECEIVED
MAR 16 2011
SCDOT
DISTRICT TWO OFFICE

My Notes

FREE! Use Bing 411 to find movies, businesses & more: 800-BING-411





PROPERTY OF:

LESTER W. COLLINS

BELTON TOWNSHIP

ANDERSON COUNTY, S.C.

SCALE: 1" = 100'

DATE: OCTOBER 9, 1974

SURVEYED FOR: THE SOUTH CAROLINA

HIGHWAY DEPARTMENT

Revised, Nov. 19, 1974 at 12:41 PM.
Vol. 79 Page 712

Vol. 79 Page 712

A. J. Burdette corp

J. M. Eaton P.S. # 5295

**(b) Department of Motor Vehicles
Berkeley County**

List of Supporting Documents:

1. Letter from Department of Motor Vehicles
2. Letter from Department of Transportation
3. Maps

Nikki R. Haley
Governor



Kevin A. Shwedo
Executive Director

State of South Carolina
Department of Motor Vehicles

August 3, 2011

Ms. Carla Griffin
Deputy Director – General Services
S.C. Budget and Control Board
1200 Senate Street, Suite 460
Columbia, SC 29201

Re: Transfer of Property

Dear Ms. Griffin:

The South Carolina Department of Motor Vehicles (DMV) has vacated the office building located at 438 North Highway 52 in Moncks Corner and now declares the property as surplus to its needs. The South Carolina Department of Motor Vehicles and the South Carolina Department of Transportation holds the property as tenants in common. Therefore, the South Carolina Department of Motor Vehicles is requesting that the Budget and Control Board approve the transfer of its interest in the property to the South Carolina Department of Transportation.

Should you need further information, please contact Cathy Lucas at 896-7858.

Sincerely,

A handwritten signature in cursive script, reading "Melinda S. Woodhurst".

Melinda S. Woodhurst
Director of Administration

cc: Procurement File



Secretary of Transportation
South Carolina Department of Transportation

August 3, 2011

Ms. Lisa Catalanotto
Real Property Services
1200 Senate Street, Suite 460
Columbia, SC 29201

Re: Former Berkley County DMV Office

Dear Ms. Catalanotto:

The South Carolina Department of Transportation will accept ownership of the former Berkley County SC Department of Motor Vehicles office on Highway 52 in Moncks Corner, South Carolina. The South Carolina Department of Motor Vehicles has declared this building surplus property. The finalization of the transfer has not been completed at this time; however, we are requesting approval to accept ownership with no transfer of funds.

If you have any questions, please give me a call to discuss this issue at (803) 737-0885.

Sincerely,

A handwritten signature in black ink, appearing to read "R. St. Onge, Jr.", written over the typed name.

Robert J. St. Onge, Jr.
Secretary of Transportation

SSP::mc

cc: Linda Gordon, Real Property Services
Suzette S. Porter, Capital Improvements Manager

File: CI/SSP

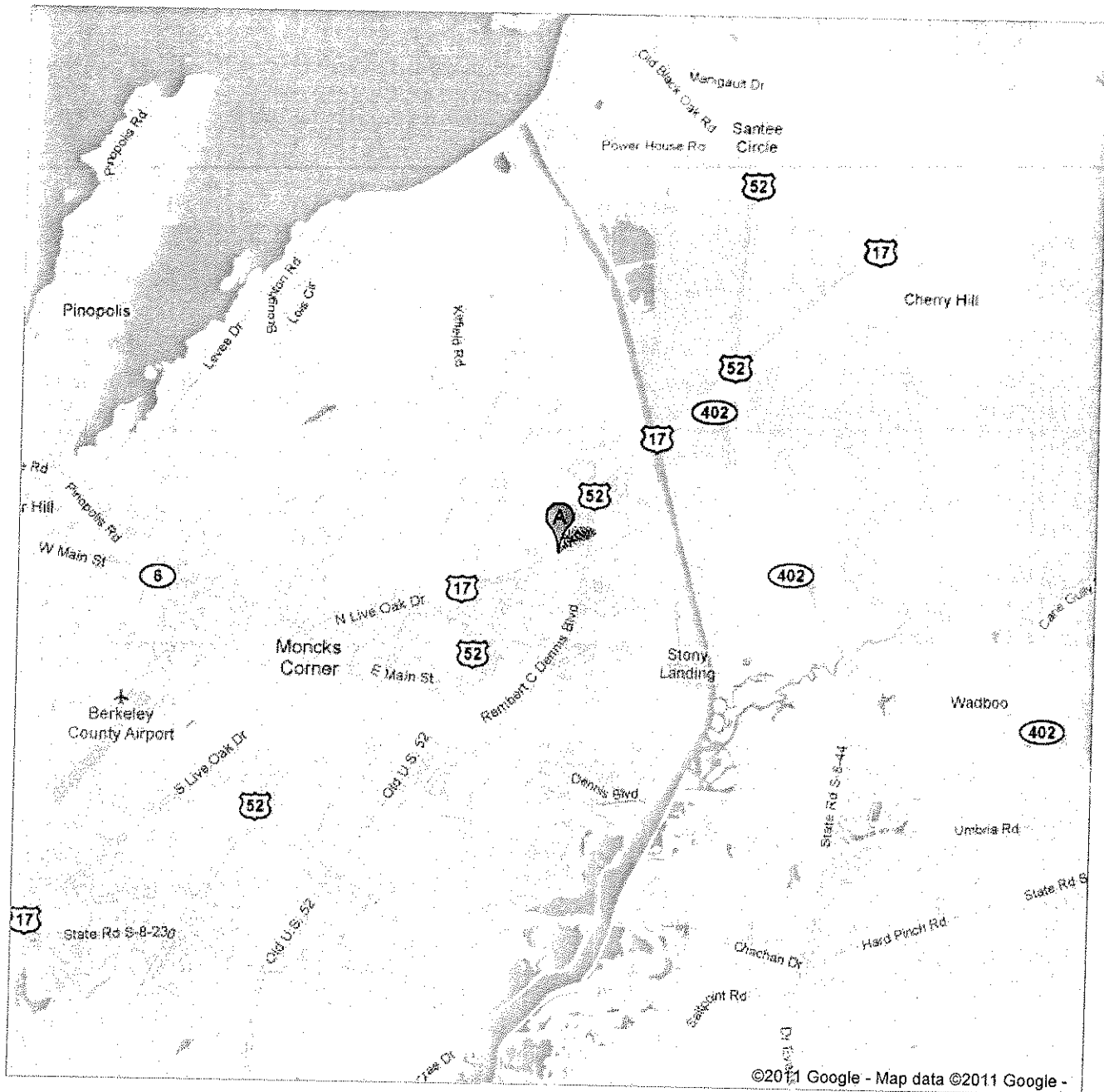
Google maps

Address 438 N Hwy 52
Moncks Corner, SC 29461

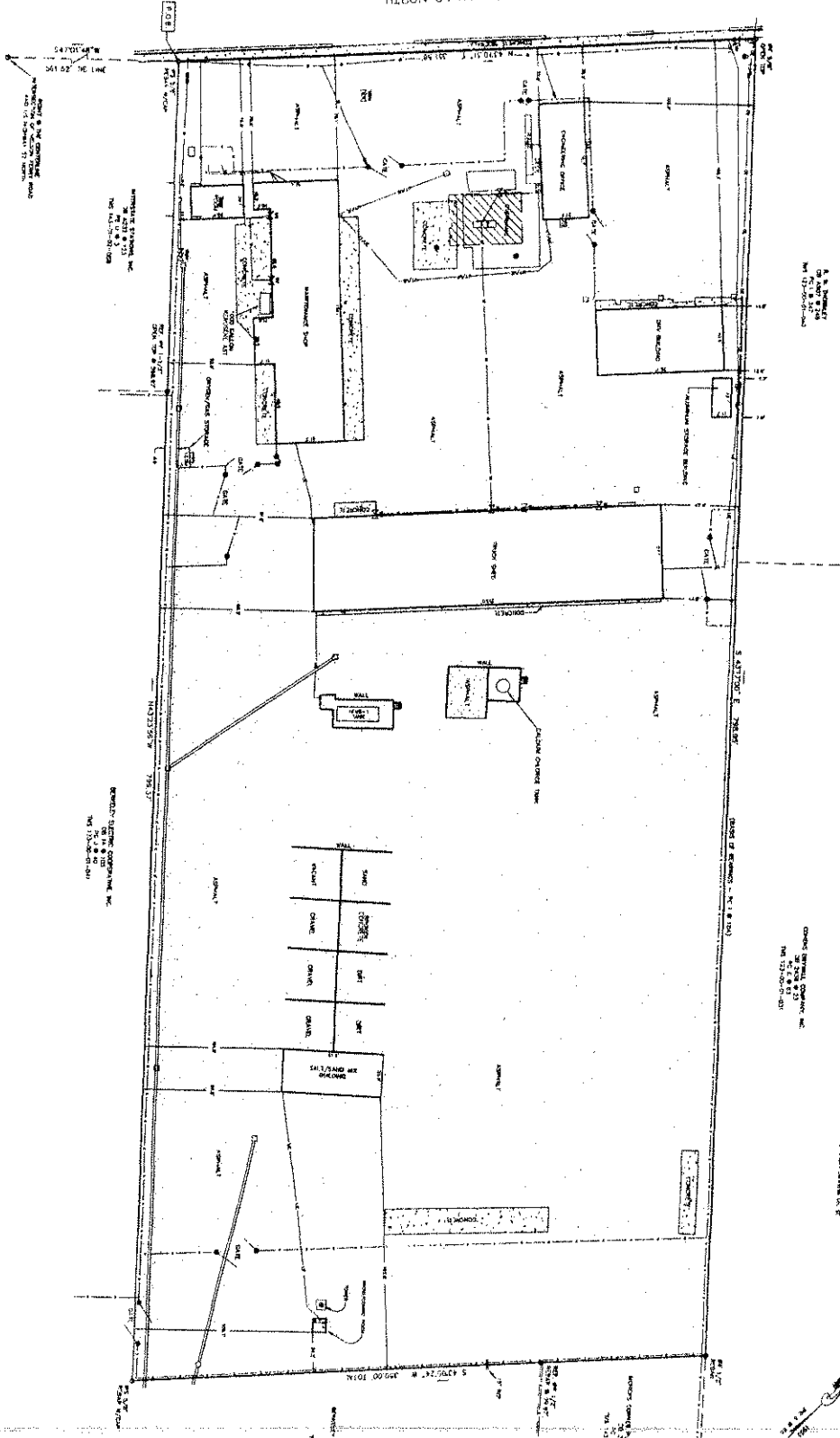
Get Google Maps on your phone



Text the word "GMAPS" to 466453



US HIGHWAY 52 NORTH
75' RIGHTS OF WAY



TOTAL ACREAGE
279,807 SQ. FT.
6.423 ACRES

NOTES:
1. THE PROPERTY IS TO BE SPLIT INTO SEVERAL LOTS AND TRACTS.
2. THE LOTS ARE TO BE SPLIT INTO SEVERAL LOTS AND TRACTS.
3. THE TRACTS ARE TO BE SPLIT INTO SEVERAL LOTS AND TRACTS.



STATE OF SOUTH CAROLINA
SOUTH CAROLINA
DEPARTMENT OF
TRANSPORTATION
COUNTY OF
FLEMING

LEGEND
1. ROAD
2. RAILROAD
3. CANAL
4. DITCH
5. FENCE
6. LOT
7. TRACT
8. SECTION
9. QUARTER
10. OTHER

DATE OF SURVEY
10/1/70
BY
J. H. Smith
10/1/70

AGENCY: Division of Human Resources

SUBJECT: Appointment of State Employee Grievance Committee Members

Section 8-17-340 (A) of the S.C. Code of Laws provides that members of the State Employee Grievance Committee be appointed by the Budget and Control Board. The Human Resources Division recommends the reappointment of the following members for three year terms: Zina Hampton and Michelle Piekutowski.

Agencies have submitted nominations, and the Division of Human Resources recommends the appointment of the following new members: Glenise Elmore, Department of Social Services; Nancy Hall, Department of Disabilities and Special Needs; Justin Hancock, Department of Parks, Recreation and Tourism; Christopher Johnson, Francis Marion University; Kenneth Middlebrooks, Department of Consumer Affairs; Wanda Miller, Commission for the Blind; Mary Oakman, South Carolina Technical College System; David Slimmer, Lander University; and Barton Vincent, Department of Corrections. Ms. Hall, Mr. Hancock, Mr. Middlebrooks, Ms. Miller, Ms. Oakman and Mr. Vincent will serve three year terms. Ms. Elmore, Dr. Johnson, and Dr. Slimmer will serve the remaining one year of three resignees' uncompleted terms.

BOARD ACTION REQUESTED:

Approve the following recommended appointments to the State Employee Grievance Committee to be effective when training by the Division of Human Resources is completed: Glenise Elmore, Department of Social Services; Nancy Hall, Department of Disabilities and Special Needs; Justin Hancock, Department of Parks, Recreation and Tourism; Christopher Johnson, Francis Marion University; Kenneth Middlebrooks, Department of Consumer Affairs; Wanda Miller, Commission for the Blind; Mary Oakman, South Carolina Technical College System; David Slimmer, Lander University; and Barton Vincent, Department of Corrections. Ms. Hall, Mr. Hancock, Mr. Middlebrooks, Ms. Miller, Ms. Oakman and Mr. Vincent will serve three year terms. Ms. Elmore, Dr. Johnson, and Dr. Slimmer will serve the remaining one year of three resignees' uncompleted terms

ATTACHMENTS:

Agenda item worksheet; Section 8-17-340 (A) of the S.C. Code of Laws, 1976

BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET (Revised 9/91)

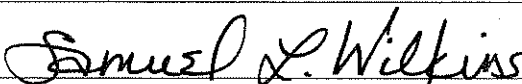
For meeting scheduled for:

☒ Blue Agenda
☐ Regular Session
☐ Executive Session

August 9, 2011

1. Submitted by: (a) Agency: Human Resources Division

(b) Authorized Official Signature



2. Subject: Appointment of State Employee Grievance Committee Members

3. Summary Background Information:

Section 8-17-340 (A) of the S.C. Code of Laws provides that members of the State Employee Grievance Committee be appointed by the Budget and Control Board. The Human Resources Division recommends the reappointment of the following members for three year terms: Zina Hampton and Michelle Piekutowski.

Agencies have submitted nominations, and the Human Resources Division recommends the appointment of the following new members: Glenise Elmore, Department of Social Services; Nancy Hall, Department of Disabilities and Special Needs; Justin Hancock, Department of Parks, Recreation and Tourism; Christopher Johnson, Francis Marion University; Kenneth Middlebrooks, Department of Consumer Affairs; Wanda Miller, Commission for the Blind; Mary Oakman, South Carolina Technical College System; David Slimmer, Lander University; and Barton Vincent, Department of Corrections. Ms. Hall, Mr. Hancock, Mr. Middlebrooks, Ms. Miller, Ms. Oakman and Mr. Vincent will serve three year terms. Ms. Elmore, Dr. Johnson, and Dr. Slimmer will serve the remaining one year of three resignees' uncompleted terms.

4. What is Board asked to do?

To approve the recommended appointments to be effective when training by the Human Resources Division is completed.

5. What is recommendation of the Board division involved?

Approval of the recommended appointments.

6. Recommendation of other office (as required)?

Office Name

Authorized
Signature

7. Supporting Documents:

List those attached:

List those not attached but available:

(1) Section 8-17-340 (A) of the S.C. Code of Laws, 1976

(1) Letters for Reappointment

(2) Letters of Nomination

SECTION 8-17-340. State Employee Grievance Committee; hearings; procedures; appeals.

(A) There is created the State Employee Grievance Committee constituted and appointed to serve as an administrative hearing body for state employee appeals. The State Human Resources Director shall forward to the committee for a hearing all appeals which meet jurisdictional requirements and relate to the following adverse employment actions: terminations, salary decreases based on performance, demotions, suspensions for more than ten days, and reductions in force when the State Human Resources Director determines there is a material issue of fact regarding inconsistent or improper application of the agency's reduction in force plan or policy. The committee shall consist of at least eighteen and not more than twenty-four members who must be appointed by the State Budget and Control Board to serve for terms of three years and until their successors are appointed and qualify. All members of the committee must be selected on a broadly representative basis from among the personnel of the various state agencies as recommended by the agency head.

The committee annually shall elect a chairman from among its members to serve for a one-year term. In addition, the State Human Resources Director may divide the committee into panels of five members to sit at hearings and designate a member to serve as the presiding officer and a member to serve as secretary at all panel hearings. A quorum of a panel consists of at least three members.

Vacancies occurring for a reason other than expiration of a term must be filled by the State Budget and Control Board in the same manner as the original appointments. Members may be reappointed for succeeding terms at the discretion of the State Budget and Control Board.

The committee and the State Human Resources Director may recommend to the State Budget and Control Board that it promulgate regulations as necessary to carry out the provisions of this article and the board is authorized to promulgate these and other necessary regulations.

Committee members shall receive their normal pay for the time they are required to be away from their regular assignments. They may be reimbursed as provided by law from funds appropriated to the State Budget and Control Board for expenses, such as meals, lodging, and mileage, when using their personal automobiles, incurred in connection with the performance of necessary committee business.

AGENCY: Division of Procurement Services

SUBJECT: Procurement Audits and Certification

- a. In accordance with Section 11-35-1210 of the South Carolina Consolidated Procurement Code, the Procurement Services Division has reviewed the procurement system of York Technical College. As the College has not requested procurement certification, the audit report is submitted as information only.
- b. The Procurement Services Division, in accord with Section 11-35-1210, has audited the following agency and recommends certification within the parameters described in the audit reports for the following limits (total potential purchase commitment whether single-or multi- year contracts are used):

College of Charleston (for a period of three years): supplies and services, \$500,000* per commitment; consultants, \$500,000* per commitment; printing services, \$500,000* per commitment; information technology, \$200,000* per commitment; construction services, \$100,000* per commitment; construction contract change order, \$100,000 per change order; architect/engineer contract amendment, \$15,000 per amendment.

*Total potential purchase commitment whether single or multi-term contracts are used.

The audit confirms the Procurement Office has the internal controls and expertise to ensure compliance with the application requirements for the certifications.

BOARD ACTION REQUESTED:

- a. Receive as information the audit report for York Technical College.
- b. In accord with Section 11-35-1210, grant the following procurement certification within parameters described in the audit reports for the following limits (total potential purchase commitment whether single-or multi- year contracts are used) for the following agencies:

College of Charleston (for a period of three years): supplies and services, \$500,000* per commitment; consultants, \$500,000* per commitment; printing services, \$500,000* per commitment; information technology, \$200,000* per commitment; construction services, \$100,000* per commitment; construction contract change order, \$100,000 per change order; architect/engineer contract amendment, \$15,000 per amendment.

ATTACHMENTS:

Agenda item worksheets and attachments

BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET

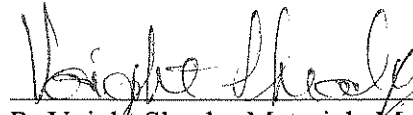
Meeting scheduled for: August 9, 2011

Blue Agenda

1. Submitted by:

(a) Agency: Procurement Services Division

(b) Authorized Official Signature:


R. Voight Shealy, Materials Management Officer

2. Subject: Procurement Audit of York Technical College

3. Summary Background Information:

In accordance with Section 11-35-1210 of the South Carolina Consolidated Procurement Code, the Procurement Services Division has reviewed the procurement system of York Technical College. As the College has not requested procurement certification, the audit report is submitted as information only.

4. What is Board asked to do?

Receive the audit report as information only.

5. What is recommendation of Board division involved?

We recommend the report be received as information only.

6. Recommendation of other office (as required)?

(a) Authorized Signature: _____

(b) Division/Agency Name: _____

7. List of supporting documents:

(a) Section 11-35-1210 of the Consolidated Procurement Code

BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET

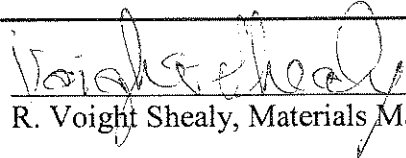
Meeting scheduled for: August 9, 2011

Blue Agenda

1. Submitted by:

(a) Agency: Division of Procurement Services

(b) Authorized Official Signature:


R. Voight Shealy, Materials Management Officer

2. Subject: Procurement Certification for the College of Charleston

3. Summary Background Information:

In accordance with Section 11-35-1210 of the South Carolina Consolidated Procurement Code, the Division of Procurement Services has reviewed the procurement system of the College of Charleston and recommends its certification within the parameters described in the audit report for the following limits for a period of three years.

	<u>Current Certification</u>	<u>Certification Recommended</u>
I. Supplies and Services	*\$300,000 Per Commitment	*\$500,000 Per Commitment
II. Consultants	*\$300,000 Per Commitment	*\$500,000 Per Commitment
III. Printing Services	*\$200,000 Per Commitment	*\$500,000 Per Commitment
IV. Information Technology	*\$200,000 Per Commitment	*\$200,000 Per Commitment
V. Construction Services	\$ 50,000 Per Commitment	\$100,000 Per Commitment
VI. Construction Contract Change Order	\$ 25,000 Per Change Order	\$100,000 Per Change Order
VII. Architect/Engineer Contract Amendment	\$ 5,000 Per Amendment	\$ 15,000 Per Amendment

*Total potential purchase commitment whether single year or multi-term contracts are used.

The audit confirms the Procurement Office has the internal controls and expertise to ensure compliance with the applicable requirements for the certifications.

4. What is Board asked to do?

Grant procurement certification for the College of Charleston by approval of the Blue Agenda.

5. What is recommendation of Board division involved? Approve.

6. Recommendation of other office (as required)?

(a) Authorized Signature: _____

(b) Division/Agency Name: _____

7. List of supporting documents:

(a) Section 11-35-1210 of the Consolidated Procurement Code

South Carolina Consolidated Procurement Code

Auditing and Fiscal Reporting

§ 11-35-1210. Certification

- (1) Authority. The board may assign differential dollar limits below which individual governmental bodies may make direct procurements not under term contracts. The designated board office shall review the respective governmental body's internal procurement operation, shall certify in writing that it is consistent with the provisions of this code and the ensuing regulations, and recommend to the board those dollar limits for the respective governmental body's procurement not under term contract.
- (2) Policy. Authorizations granted by the board to a governmental body are subject to the following:
 - (a) adherence to the provisions of this code and the ensuing regulations, particularly concerning competitive procurement methods;
 - (b) responsiveness to user needs;
 - (c) obtaining of the best prices for value received.
- (3) Adherence to Provisions of the Code. All procurements shall be subject to all the appropriate provisions of this code, especially regarding competitive procurement methods and nonrestrictive specifications.

AGENCY: Executive Director

SUBJECT: Revenue Bonds

The required reviews on the following proposals to issue revenue bonds has been completed with satisfactory results. The project requires approval under State law. Ceiling allocation requests are included in a separate agenda item.

- a. Issuing Authority: Jobs-Economic Development Authority
Amount of Issue: Not Exceeding \$15,500,000 Economic Development Revenue Bonds
Allocation Needed: \$15,500,000
Name of Project: ACE Environmental Processing, LLC
Employment Impact: maintain 6 jobs and add 30 within 12 months and 40 within 24 months
Project Description: acquiring land, buildings, improvements, equipment and furnishing of two facilities (Pelzer & Starr) for processing, handling and logistics management of industrial recoverable materials
Note: *private sale (or underwriting)*
Bond Counsel: Kathleen Crum McKinney, Haynsworth Sinkler Boyd, P.A.
- b. Issuing Authority: Jobs-Economic Development Authority
Amount of Issue: Not Exceeding \$41,000,000 Economic Development Refunding Revenue Bonds (\$41,000,000 refunding bonds)
Allocation Needed: -0-
Name of Project: CareAlliance Health Services D/B/A Roper St. Francis Healthcare
Employment Impact: Because this is a refunding, no new jobs will be created. Roper St. Francis healthcare currently has approximately 5,300 employees.
Project Description: provide financing to defray the cost of refunding a portion of the Charleston County, South Carolina Revenue Bonds, Series 1999A Bonds which were issued to refund prior indebtedness of Roper St. Francis Healthcare and to finance certain capital improvements.
Note: *private sale*
Bond Counsel: Jeremy L. Cook, Haynsworth Sinkler Boyd, P.A.
- c. Issuing Authority: Jobs-Economic Development Authority
Amount of Issue: Not Exceeding \$28,000,000 Hospital Revenue Refunding Bonds (\$28,000,000 refunding involved)
Allocation Needed: -0-
Name of Project: Georgetown Hospital System
Employment Impact: maintain 1373 jobs and add 8 within 12 months
Project Description: refunding outstanding principal amounts of Series 1998 Bonds,

AGENCY: Executive Director

SUBJECT: Revenue Bonds -- Continued

Note: Series 1999 Bonds, and Series 2001 Bonds used to acquire, construct, renovate and equip hospital facilities at Georgetown Memorial Hospital and Waccamaw Community Hospital
private sale
Bond Counsel: Kathleen Crum McKinney, Haynsworth Sinkler Boyd, P.A.

- d. Issuing Authority: State Housing Finance and Development Authority
Amount of Issue: Not Exceeding \$250,000,000 Homeownership Revenue Bonds
Allocation Needed: \$250,000,000 (The Authority currently has carry-forward allocation for this issue.)
Name of Project: Homeownership Revenue Bonds
Employment Impact: n/a
Project Description: homeownership revenue bonds
Bond Counsel: Rion D.Foley, McNair Law Firm, P.A.

BOARD ACTION REQUESTED:

Adopt a resolution approving the referenced proposal to issue revenue bonds.

ATTACHMENTS:

Resolutions

A RESOLUTION APPROVING THE ISSUANCE BY THE SOUTH CAROLINA JOBS-ECONOMIC DEVELOPMENT AUTHORITY THROUGH PRIVATE SALE (OR UNDERWRITING) OF NOT EXCEEDING \$15,500,000 AGGREGATE PRINCIPAL AMOUNT ECONOMIC DEVELOPMENT REVENUE BONDS (ACE ENVIRONMENTAL PROCESSING, LLC PROJECT) SERIES 2011, PURSUANT TO THE PROVISIONS OF SECTION 41-43-110 OF SOUTH CAROLINA CODE ANNOTATED, TITLE 41, CHAPTER 43 (1976), AS AMENDED.

WHEREAS, the South Carolina Jobs-Economic Development Authority (the “*Authority*”) has heretofore under and pursuant to the provisions of Section 41-43-110 of South Carolina Code Annotated, Title 41, Chapter 43 (1976), as amended (the “*Act*”), requested approval by the State Budget and Control Board of the issuance by the Authority pursuant to the Act of its Economic Development Revenue Bonds (ACE Environmental Processing, LLC Project) Series 2011, in the aggregate principal amount of not exceeding \$15,500,000 (the “*Bonds*”), through private sale (or underwriting) which the Authority has determined to be most advantageous; and

WHEREAS, the Authority represents to the State Budget and Control Board that the Bonds will be placed by a financial institution through a private placement (or underwriting) acceptable to the Authority;

NOW, THEREFORE, BE IT RESOLVED, by the State Budget and Control Board of the State of South Carolina, as follows:

Section 1. It is hereby found, determined and declared by the Board that the Petition filed by the Authority contains all matters required by law and the rules of this Board to be set forth therein, and that in consequence thereof the jurisdiction of this Board has been properly invoked under and pursuant to Section 41-43-110 of the Act.

Section 2. In consequence of the foregoing, the proposal of the Authority to issue the Bonds through private sale (or underwriting) acceptable to the Authority be and the same is hereby in all respects approved.

Section 3. This Resolution shall take effect immediately.

A RESOLUTION APPROVING THE ISSUANCE BY THE SOUTH CAROLINA JOBS-ECONOMIC DEVELOPMENT AUTHORITY THROUGH PRIVATE SALE OF NOT EXCEEDING \$41,000,000 AGGREGATE PRINCIPAL AMOUNT ECONOMIC DEVELOPMENT REFUNDING REVENUE BONDS OR NOTES (CAREALLIANCE HEALTH SERVICES D/B/A ROPER ST. FRANCIS HEALTHCARE) IN ONE OR MORE SERIES, PURSUANT TO THE PROVISIONS OF SECTION 41-43-110 OF SOUTH CAROLINA CODE OF LAWS 1976, AS AMENDED.

WHEREAS, the South Carolina Jobs-Economic Development Authority (the "**Authority**") has heretofore under and pursuant to the provisions of Section 41-43-110 of South Carolina Code Annotated, Title 41, Chapter 43 (1976), as amended (the "**Act**"), requested approval by the State Budget and Control Board of the issuance by the Authority pursuant to the Act of its Economic Development Refunding Revenue Bonds or Notes (CareAlliance Health Services D/B/A Roper St. Francis Healthcare) in one or more series and in one or more years in the aggregate principal amount of not exceeding \$41,000,000 (the "**Bonds**") through private sale, which the Authority has determined to be most advantageous; and

WHEREAS, the Authority represents to the State Budget and Control Board that the Bonds will be sold by the Authority through a negotiated private sale to a financial institution;

NOW, THEREFORE, BE IT RESOLVED, by the State Budget and Control Board of the State of South Carolina, as follows:

Section 1. It is hereby found, determined and declared by the Board that the Petition filed by the Authority contains all matters required by law and the rules of this Board to be set forth therein, and that in consequence thereof the jurisdiction of this Board has been properly invoked under and pursuant to Section 41-43-110 of the Act.

Section 2. In consequence of the foregoing, the proposal of the Authority to issue the Bonds in one or more series and in one or more years through private sale be and the same is hereby in all respects approved.

Section 3. The series designations of each series of the Bonds shall reflect the year of issuance of such series of the Bonds.

Section 4. This Resolution shall take effect immediately.



A RESOLUTION APPROVING THE ISSUANCE BY THE SOUTH CAROLINA JOBS-ECONOMIC DEVELOPMENT AUTHORITY THROUGH PRIVATE SALE OF NOT EXCEEDING \$28,000,000 AGGREGATE PRINCIPAL AMOUNT HOSPITAL REVENUE REFUNDING BONDS (GEORGETOWN HOSPITAL SYSTEM PROJECT) SERIES 2011A, PURSUANT TO THE PROVISIONS OF SECTION 41-43-110 OF SOUTH CAROLINA CODE ANNOTATED, TITLE 41, CHAPTER 43 (1976), AS AMENDED.

WHEREAS, the South Carolina Jobs-Economic Development Authority (the "*Authority*") has heretofore under and pursuant to the provisions of Section 41-43-110 of South Carolina Code Annotated, Title 41, Chapter 43 (1976), as amended (the "*Act*"), requested approval by the State Budget and Control Board of the issuance by the Authority pursuant to the Act of its Hospital Revenue Refunding Bonds (Georgetown Hospital System Project) Series 2011A, in the aggregate principal amount of not exceeding \$28,000,000 (the "*Bonds*") through private sale, which the Authority has determined to be most advantageous; and

WHEREAS, the Authority represents to the State Budget and Control Board that the Bonds will be sold by the Authority through private sale;

NOW, THEREFORE, BE IT RESOLVED, by the State Budget and Control Board of the State of South Carolina, as follows:

Section 1. It is hereby found, determined and declared by the Board that: the Petition filed by the Authority contains all matters required by law and the rules of this Board to be set forth therein, and that in consequence thereof the jurisdiction of this Board has been properly invoked under and pursuant to Section 41-43-110 of the Act.

Section 2. In consequence of the foregoing, the proposal of the Authority to issue the Bonds through private sale be and the same is hereby in all respects approved.

Section 3. This Resolution shall take effect immediately.

THE STATE BUDGET AND CONTROL BOARD OF SOUTH CAROLINA

A RESOLUTION

**APPROVING THE INCREASE IN AUTHORIZATION FOR THE ISSUANCE BY
THE SOUTH CAROLINA STATE HOUSING FINANCE AND DEVELOPMENT
AUTHORITY OF SOUTH CAROLINA STATE HOUSING FINANCE AND
DEVELOPMENT AUTHORITY HOMEOWNERSHIP REVENUE BOND
PROGRAM, AND OTHER MATTERS RELATED THERETO**

WHEREAS, pursuant to Chapter 13, Title 31, Code of Laws of South Carolina, 1976, as amended, (the "Act"), upon the approval of the State Budget and Control Board of South Carolina (the "State Board"), the South Carolina State Housing Finance and Development Authority (the "Authority") is empowered to issue bonds, notes and/or obligations the principal proceeds of which will be applied to provide sanitary and safe residential housing for persons and families of low income and moderate-to-low income (collectively, the "beneficiary classes") at prices which such persons can afford and to refund certain prior bonds, notes and other obligations of the Authority; and

WHEREAS, the Authority has advised the State Board that, pursuant to the Housing and Economic Recovery Act of 2008, the United States Department of Treasury ("Treasury") has established a Single Family New Issue Bond Program (the "New Issue Bond Program") pursuant to which Fannie Mae and Freddie Mac (each, a "GSE") will exchange single family mortgage revenue program bonds issued by state housing finance agencies for securities issued by a business trust beneficially owned by the GSEs that are backed by such mortgage revenue program bonds (the "GSE Trust Securities"), which GSE Trust Securities will be purchased by Treasury; and

WHEREAS, the Authority has advised the State Board that the interest rates on single family mortgage revenue program bonds purchased by the GSEs pursuant to the New Issue Bond Program are lower than single family mortgage revenue bonds sold at current market interest rates; and

WHEREAS, the Authority has advised the State Board that, pursuant to the terms of the New Issue Bond Program, for any series of mortgage revenue bonds issued by a state housing finance agency, the portion of the mortgage revenue program bonds backing the GSE Trust Securities purchased by Treasury (the "NIBP Program Bonds" with respect to such series of mortgage revenue program bonds) may not be more than 60% of the overall issuance of mortgage revenue bonds, and in order to satisfy this requirement the state housing finance agency is required to offer additional bonds for public or private sale to investors (the "Market Bonds" with respect to a series of mortgage revenue bonds) in accordance with standard bond underwriting practices; and

WHEREAS, the Authority previously received authorization for the issuance of up to \$200,000,000 aggregate principal amount of South Carolina State Housing Finance Development Authority Homeownership Revenue Bonds and by Petition seeks to increase such authorization for the issuance of up to \$250,000,000 aggregate principal amount of South Carolina State Housing Finance and Development Authority Homeownership Revenue Bonds; and

WHEREAS, the Authority has advised the State Board that the Authority previously submitted a Participation Request for New Issue Bond Program to Treasury requesting that Treasury purchase GSE Trust Securities backed by up to \$120,000,000 of the Authority's NIBP Program Bonds; and

WHEREAS, the Authority has previously provided for the establishment of a special homeownership loan program in connection with the New Issue Bond Program; and

WHEREAS, the Authority has approved by resolution a Homeownership Master Trust Indenture (the "Homeownership Master Indenture") between the Authority and The Bank of New York Mellon Trust Company, National Association, as Trustee (the "Trustee"), and has approved by resolution one or more Supplemental Indentures (the "Supplemental Indentures") for the issuance of Homeownership Revenue Bonds to provide money to finance for mortgage loans directly or indirectly to the beneficiary classes or for the purpose of refunding prior bonds, notes or other obligations of the Authority; and

WHEREAS, in light of additional demand for mortgage loans, the Authority proposes to make provision for the issuance of homeownership revenue bonds in one or more series (the "NIBP Bonds"), in an aggregate amount up to \$250,000,000, with the final amount to be determined on the basis of the apparent demand for mortgage loans to be financed with the proceeds of the NIBP Bonds directly or indirectly and when a determination of the appropriate amount of bonds, notes and other obligations of the Authority for refunding can be made; and

WHEREAS, it is anticipated that the Market Bonds portion of the NIBP Bonds will be sold to underwriters (the "Underwriters") headed by Goldman, Sachs & Co bearing interest at an average rate not to exceed 7% per annum; and

WHEREAS, such sale shall be made pursuant to one or more purchase contracts between the Authority and the Underwriters (the "Purchase Contract"); and

WHEREAS, the NIBP Program Bonds will be issued pursuant to the New Issue Bond Program; and

WHEREAS, the State Board has given due consideration to the proposed undertaking of the Authority and has determined to give approval to the increased authorization for issuance and sale of the NIBP Bonds, subject to the conditions set forth herein.

NOW, THEREFORE BE IT RESOLVED BY THE STATE BUDGET AND CONTROL BOARD OF SOUTH CAROLINA IN MEETING DULY ASSEMBLED:

Section 1. Subject to the conditions set forth herein, approval is hereby granted by the State Board to the increased authorization for the issuance and sale by the Authority of up to \$250,000,000 South Carolina State Housing Finance and Development Authority Homeownership Revenue Bonds under the New Issue Bond Program.

These NIBP Bonds shall be secured by the Homeownership Master Indenture and shall be further secured by, and subject to such terms and conditions as shall be set forth in, the Supplemental Indentures which shall hereafter be adopted by resolution of the Authority.

Section 2. The approval is granted provided that the Authority shall submit to the State Board all information required to be submitted to it pursuant to Section 31-13-220 of the Act such as the following:

- (a) the principal amount of the NIBP Bonds to be issued;
- (b) the maturity schedule of the NIBP Bonds to be issued;
- (c) a schedule showing the annual debt service requirements of all outstanding bonds, notes and obligations of the Authority;

- (d) a schedule showing the amount and source of revenues available for the payment of debt service on said bonds, notes and obligations of the Authority;
- (e) the method to be employed in selling the NIBP Bonds.

Section 3. The approval is granted subject to the following conditions:

- (a) The Authority shall submit to the State Board all information required to be submitted to it pursuant to Section 31-13-220 of the Act as stated above;
- (b) The State Treasurer shall determine that the funds anticipated to be available for the payment of the Authority's notes and bonds, including the NIBP Bonds, will be sufficient to provide for the payment of principal and interest thereon;
- (c) The State Treasurer shall approve the principal amount of the NIBP Bonds and the rate of interest to be borne thereby upon the issuance and delivery thereof;
- (d) The State Treasurer shall approve the form and substance of the Homeownership Master Indenture;
- (e) The State Treasurer shall approve the form and substance of the Supplemental Indentures setting forth the terms and conditions of the NIBP Bonds;
- (f) The State Treasurer shall approve the form and substance of preliminary and final official statements to be distributed in connection with the sale of the NIBP Bonds;
- (g) The State Treasurer shall approve the terms and conditions of the Purchase Contract.

Section 4. Approval is granted to the undertaking of the Authority to finance mortgage loans to members of the beneficiary classes directly or indirectly to enable such borrower to acquire single family homes with all available proceeds from the NIBP Bonds and to refund certain prior bonds, notes and other obligations of the Authority and the approval of the increased authorization for the issuance of the NIBP Bonds is hereby granted.

Section 5. This authorization increases the previous authorization relating to the issuance of not exceeding \$200,000,000 of NIBP Bonds granted by the State Board on December 15, 2009 to an amount of up to \$250,000,000 aggregate principal amount of NIBP Bonds.

STATE BUDGET AND CONTROL BOARD
MEETING OF August 9, 2011

BLUE AGENDA
ITEM NUMBER 7

AGENCY: Executive Director

SUBJECT: Economic Development (2011 Ceiling Allocations)

The initial balance of the 2011 state ceiling allocation is \$439,409,580. In accord with Code Section 1-11-520, \$175,763,832 (40% of the total) was designated as the state pool and \$263,645,748 (60% of the total) was designated as the local pool. There is presently a state ceiling balance of \$439,409,580 remaining for 2011. Allocation requests for 2011 totaling \$18,107,000 have been received thus far.

The recommendation from the Department of Commerce for allocations for this cycle total \$15,500,000. The Department of Commerce makes the following recommendation for allocation from the local pool:

JEDA Ace Environmental Processing, LLC, \$15,500,000 (Anderson County).

If the Board approves the recommended request, this will leave an unexpended state ceiling balance of \$423,909,580 (state pool - \$175,763,832; local pool - \$248,145,748) to be allocated later in the calendar year.

BOARD ACTION REQUESTED:

In accord with Code Section 1-11-500 et seq. and upon the recommendation of the Department of Commerce, grant the following tentative ceiling allocation from the local pool and defer all remaining ceiling allocation requests:

JEDA Ace Environmental Processing, LLC, \$15,500,000 (Anderson County).

ATTACHMENTS:

2011 Ceiling Allocation Requests; Young 08/04/11 memo; Code Section 1-11-500 et seq.

2011 South Carolina State Ceiling

Balance remaining as of August 9, 2011, if allocation request

State Pool (40%)	175,763,832
Total State Pool (40%)	<u>175,763,832</u>

Local Pool (60%)	263,645,748
Total Local Pool (60%)	<u>263,645,748</u>
Certified State Ceiling 2011	<u>439,409,580</u>

Date	Governmental Unit	Name of Project	Pool Total	Amount Allocated	Balance Available	Certified for Issue	Issue Date	Attorney
01/04/11	STATE POOL		175,763,832					

TOTAL, STATE POOL								
			<u>175,763,832</u>	<u>0</u>	<u>175,763,832</u>	<u>0</u>		
01/04/11	LOCAL POOL							
02/08/11	Marion County	Supremes, LLC	263,645,748	0		0	expired	Zeigler
08/09/11	JEDA	Ace Environmental Processing, LLC		15,500,000				

TOTAL, LOCAL POOL	<u>263,645,748</u>	<u>15,500,000</u>	<u>248,145,748</u>	<u>0</u>
GRAND TOTAL	<u>439,409,580</u>	<u>15,500,000</u>	<u>423,909,580</u>	<u>0</u>

2010 Ceiling Allocation Requests

Recd.	Issuing Authority	Project	Request	Cumulative	Bond Counsel	Request		Location	NOTES
						Alloc	St.Law		

1	01/28/11	Marion County	Supremes, LLC	2,607,000	2,607,000	Benjamin T. Zeigler	x	x	Marion County	
2	07/19/11	JEDA	Ace Environmental Processing, LLC	15,500,000	18,107,000	Kathleen C. McKinney	x	x	Anderson County	

2011 South Carolina State Ceiling Allocations

Summary, CY 2011

2011 State Ceiling	439,409,580
Initial Allocations	18,107,000
Expired/Relinquished	2,607,000
Actual Allocations	15,500,000
Certified for Issue	0
Carried Forward	0

Balance Available:	423,909,580
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Issuer	Name of Project	Allocation Amount	Expired/ Relinquished	Certified for Issue	Issue Date	Attorney
Allocation: 2/8/11 Expiration: 5/9/11						
Marion County	Supremes, LLC	2,607,000	2,607,000			Zeigler
Allocation: 8/9/11 Expiration: 11/7/11						
JEDA	Ace Environmental Processing, LLC	15500000				McKinney



Nikki R. Haley
Governor

SOUTH CAROLINA
DEPARTMENT OF COMMERCE

Robert M. Hitt III
Secretary

MEMORANDUM

To: Delbert Singleton

From: Daniel Young

Date: August 4, 2011

Re: August 9, 2011, meeting – Solid Waste Recommendation

Upon the request of the Budget & Control Board, the South Carolina Department of Commerce evaluates allocation requests that pertain to economic development.

After review of those seeking allocation at this time, Commerce recommends approval and Economic Development bonds for the following project at the August 9th Budget & Control Board meeting:

Name	Amount	Score	County
Ace Environmental Processing, LLC	15,500,000	6	Anderson
Total	\$15,500,000		

Please let me know if you have any questions.

Thank you.

ARTICLE 3.

ALLOCATION OF STATE CEILING ON ISSUANCE OF PRIVATE ACTIVITY BONDS

SECTION 1-11-500. Calculation and certification of state ceiling.

The state ceiling on the issuance of private activity bonds as defined in Section 146 of the Internal Revenue Code of 1986 (the Code) established in the act must be certified annually by the Budget and Control Board secretary based upon the provisions of the act. The board secretary shall make this certification as soon as practicable after the estimates of the population of the State of South Carolina to be used in the calculation are published by the United States Bureau of the Census but in no event later than February first of each calendar year.

SECTION 1-11-510. Allocation of bond limit amounts.

- (A) The private activity bond limit for all issuing authorities must be allocated by the board in response to authorized requests as described in Section 1-11-530 by the issuing authorities.
- (B) The aggregate private activity bond limit amount for all South Carolina issuing authorities is allocated initially to the State for further allocation within the limits prescribed herein.
- (C) Except as is provided in Section 1-11-540, all allocations must be made by the board on a first-come, first-served basis, to be determined by the date and time sequence in which complete authorized requests are received by the board secretary.

SECTION 1-11-520. Private activity bond limits and pools.

- (A) The private activity bond limit for all state government issuing authorities now or hereafter authorized to issue private activity bonds as defined in the act, to be known as the "state government pool", is forty percent of the state ceiling less any amount shifted to the local pool as described in subsection (B) of this section or plus any amount shifted from that pool.
- (B) The private activity bond limit for all issuing authorities other than state government agencies, to be known as the "local pool", is sixty percent of the state ceiling plus any amount shifted from the state government pool or less any amount shifted to that pool.
- (C) The board, with review and comment by the Joint Bond Review Committee, may shift unallocated amounts from one pool to the other at any time.

SECTION 1-11-530. Authorized requests for allocation of bond limit amounts.

- (A) For private activity bonds proposed for issue by other than state government issuing authorities, an authorized request is a request included in a petition to the board that a specific amount of the state ceiling be allocated to the bonds for which the petition is filed. The petition must be accompanied by a copy of the Inducement Contract, Inducement Resolution, or other comparable preliminary approval entered into or adopted by the issuing authority, if any, relating to the bonds. The board shall forward promptly to the committee a copy of each petition received.
- (B) For private activity bonds proposed for issue by any state government issuing authority, an authorized request is a request included in a petition to the board that a specific amount of the state ceiling be allocated to the bonds for which the petition is filed. The petition must be accompanied by a bond resolution or comparable action by the issuing authority authorizing the issuance of the bonds. The board shall forward promptly to the committee a copy of each petition received.
- (C) Each authorized request must demonstrate that the allocation amount requested constitutes all of the private activity bond financing contemplated at the time for the project and any other facilities located at or used as a part of an integrated operation with the project.

SECTION 1-11-540. Limitations on allocations.

(A) The board, with review and comment by the committee, may disapprove, reduce, or defer any authorized request. If it becomes necessary to exercise this authority, the board and the committee shall take into account the public interest in promoting economic growth and job creation.

(B) Authorized requests for state ceiling allocations of more than ten million dollars for a single project are deferred until after July first unless the board, after review and comment by the committee, determines in any particular instance that the positive impact upon the State of approving an allocation of an amount greater than ten million dollars is of such significance that approval of the allocation is warranted.

SECTION 1-11-550. Certificates by issuing authority and by board.

(A) An allocation of the state ceiling approved by the board is made formal initially by a certificate which allocates tentatively a specific amount of the state ceiling to the bonds for which the allocation is requested. This tentative allocation certificate must specify the state ceiling amount allocated, the issuing authority and the project involved, and the time period during which the tentative allocation is valid. This certificate must remind the issuing authority that the tentative allocation is made final after the issuing authority chairman or other duly authorized official or agent of the issuing authority, before the issue is made, certifies the issue amount and the projected date of issue, as is required by subsection (B) of this section. It also may include other information considered relevant by the board secretary.

(B) The chairman or other authorized official or agent of an issuing authority issuing any private activity bond for which a portion of the state ceiling has been allocated tentatively shall execute and deliver to the board secretary an issue amount certificate setting forth the exact amount of bonds to be issued and the projected bond issue date which date must not be more than ten business days after the date of the issue amount certificate and it must be before the state ceiling allocation involved expires. The issue amount certificate may be an executed copy of the appropriate completed Internal Revenue Service form to be submitted to the Internal Revenue Service on the issue or it may be in the form of a letter which certifies the exact amount of bonds to be issued and the projected date of the issue.

(C) In response to the issuing authority's issue amount certificate required by subsection (B) of this section, the board secretary is authorized to issue and, as may be necessary, to revise a certificate making final the ceiling allocation approved previously by the board on a tentative basis, if the secretary determines that:

(1) the issuing authority's issue amount certificate specifies an amount not in excess of the approved tentative ceiling allocation amount;

(2) the issue amount certificate was received prior to the issue date projected and that the certificate is dated not more than ten days prior to the issue date projected;

(3) the issue date projected is within the time period approved previously for the tentative ceiling allocation; and

(4) the bonds when issued and combined with the total amount of bonds requiring a ceiling allocation included in issue amount certificates submitted previously to the board by issuing authorities do not exceed the state ceiling for the calendar year. Except under extraordinary circumstances, the board secretary shall issue this certificate within two business days following the date the issue amount certificate is received.

(D) In accordance with Section 149(e)(2)(F) of the Code, the secretary of the Budget and Control Board is designated as the state official responsible for certifying, if applicable, that certain bonds meet the requirements of Section 146 of the Code relating to the volume cap on private activity bonds.

(E) Any tentative or final state ceiling allocation granted by the board before the effective date of this act remains valid as an allocation of a portion of the volume cap for South Carolina provided under Section 146 of the Code. The allocations expire in accordance with the regulations under which they were granted or extended and their validity may be extended or reinstated in accordance with the provisions of Sections 1-11-500 through 1-11-570.

SECTION 1-11-560. Time limits on allocations.

(A) Any state ceiling allocation approved by the board is valid only for the calendar year in which it is approved, unless eligible and approved for carry-forward election or unless specified differently in the board certificates required by Section 1-11-550.

(B) Unless eligible and approved for carry-forward election or unless specified differently in board certificates required by Section 1-11-550, each state ceiling allocation expires automatically if the bonds for which the allocation is made are not issued within ninety consecutive calendar days from the date the allocation is approved by the board.

(C) In response to a written request by the chairman or other duly authorized official or agent of an issuing authority, the board, acting during the period an approved allocation is valid, may extend the period in which an allocation is valid in a single calendar year by thirty-one consecutive calendar days to a total of not more than one hundred twenty-one consecutive calendar days.

(D) In response to a written request by the chairman or other authorized official or agent of an issuing authority, the board may reinstate for a period of not more than thirty-one consecutive calendar days in any one calendar year part or all of an allocation approved but not extended previously in accordance with subsection (C) of this section in that same calendar year which has expired. The reinstatement request must certify that the authorized request submitted previously is still true and correct or a new authorized request must be submitted.

(E) A tentative ceiling allocation is canceled automatically if the chairman or other authorized official or agent of the issuing authority involved fails to deliver the issue amount certificate required by Section 1-11-550 to the board secretary before the bonds for which the allocation is made are issued.

(F) The chairman or other authorized official or agent of an issuing authority shall advise the board secretary in writing as soon as is practicable after a decision is made not to issue bonds for which a portion of the state ceiling has been allocated. All notices of relinquishment of ceiling allocations must be entered promptly in the board's records by the board secretary.

(G) Ceiling allocations which are eligible and approved for carry-forward election are not subject to the validity limits of this section. The board shall join with the issuing authorities involved in carry-forward election statements to meet the requirements of the Internal Revenue Service.

SECTION 1-11-570. Budget and Control Board to adopt policies and procedures.

The Budget and Control Board, after review and comment by the committee, may adopt the policies and procedures it considers necessary for the equitable and effective administration of Sections 1-11-500 through 1-11-570.

SECTION 1-11-580. Budget and Control Board to make quarterly payments on certain insurance contracts.

The Budget and Control Board shall make quarterly payments on insurance contracts where the annual premium exceeds fifty thousand dollars. The board shall undertake necessary negotiations to implement this requirement. Where fees may be incurred for quarterly rather than annual payments, the Budget and Control Board shall determine whether the investment income opportunity is greater or less than proposed fees and shall make the decision which best benefits South Carolina.

AGENCY: Employee Insurance Program

SUBJECT: State Health Plan Benefits and Contribution Rates Effective January 1, 2012

Section 1-11-710(A)(2) of the South Carolina Code of Laws requires that the Budget and Control Board approve the State Health Plan benefits and contributions for the upcoming calendar year by August 15th of each year. The General Assembly has funded the Plan in the FY 2011-2012 Appropriations Act sufficient to sustain the current program through Plan Year 2012 with a 4.5% aggregate employer increase and a 4.5% aggregate employee increase. The increase in employee and employer contributions is due primarily to health expenditure growth.

BOARD ACTION REQUESTED:

Approve the contribution rates as indicated on the attachment to the agenda item entitled "State Monthly Contribution Rates by Level of Coverage: 2011 and Proposed Effective January 1, 2012."

ATTACHMENTS:

Agenda item worksheet; S.C. Code Ann. Section 1-11-710; State Monthly Contribution Rates by Level of Coverage: 2011 and Proposed Effective January 1, 2012.

BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET

Meeting Scheduled for: * August 9, 2011

Regular Agenda

1. Submitted by:

(a) Agency: Budget and Control Board, Employee Insurance Program

(b) Authorized Official Signature:

Stephen R. VanCamp

*

2. Subject: State Health Plan benefits and contribution rates effective January 1, 2012

3. Summary & Background Information

Section 1-11-710(A)(2) of the South Carolina Code of Laws requires that the Budget and Control Board approve the State Health Plan benefits and contributions for the upcoming calendar year by August 15th of each year. The General Assembly has funded the Plan in the FY 2011-2012 Appropriations Act sufficient to sustain the current program through Plan Year 2012 with a 4.5% aggregate employer increase and a 4.5% aggregate employee increase. The increase in employee and employer contributions is due primarily to health expenditure growth.

4. What is Board asked to do?

Approve the contribution rates as presented on Attachment 2.

5. What is recommendation of Board Division involved?

Approve the contribution rates as indicated on the attachments to the agenda item.

6. Recommendation of other office (as required)?

(a) Authorized Signature: _____

(b) Office Name: _____

7. Supporting Documents:

(a) List those attached:

1. S.C. Code Ann. Section 1-11-710
2. State Monthly Contribution Rates by Level of Coverage: 2011 and Proposed Effective January 1, 2012.

(b) List those not attached but available:

1. Federal Health Care Legislation (PPACA and HCERA)

SECTION 1-11-710. State Budget and Control Board to make insurance available to active and retired employees; Insurance Reserve Fund to provide reinsurance; cost to be paid out of appropriated and other funds.

(A) The State Budget and Control Board shall:

- (1) make available to active and retired employees of this State and its public school districts and their eligible dependents group health, dental, life, accidental death and dismemberment, and disability insurance plans and benefits in an equitable manner and of maximum benefit to those covered within the available resources;
 - (2) approve by August fifteenth of each year a plan of benefits, eligibility, and employer, employee, retiree, and dependent contributions for the next calendar year. The board shall devise a plan for the method and schedule of payment for the employer and employee share of contributions and by July first of the current fiscal year, develop and implement a plan increasing the employer contribution rates of the State Retirement Systems to a level adequate to cover the employer's share for the current fiscal year's cost of providing health and dental insurance to retired state and school district employees. The state health and dental plans must include a method for the distribution of the funds appropriated as provided by law which are designated for retiree insurance and also must include a method for allocating to school districts, excluding EIA funding, sufficient general fund monies to offset the additional cost incurred by these entities in their federal and other fund activities as a result of this employer contribution charge. The funds collected through increasing the employer contribution rates for the State Retirement Systems under this section must be deposited in the SCRHI Trust Fund established pursuant to Section 1-11-705. The amounts appropriated in this section shall constitute the State's pro rata contributions to these programs except the State shall pay its pro rata share of health and dental insurance premiums for retired state and public school employees for the current fiscal year;
 - (3) adjust the plan, benefits, or contributions, at any time to insure the fiscal stability of the system;
 - (4) set aside in separate continuing accounts in the State Treasury, appropriately identified, all funds, state-appropriated and other, received for actual health and dental insurance premiums due. Funds credited to these accounts may be used to pay the costs of administering the state health and dental plans and may not be used for purposes of other than providing insurance benefits for employees and retirees. A reserve equal to not less than one and one-half months' claims must be maintained in the accounts.
- (B) The board may authorize the Insurance Reserve Fund to provide reinsurance, in an approved format with actuarially developed rates, for the operation of the group health insurance or cafeteria plan program, as authorized by Section 9-1-60, for active and retired employees of the State, and its public school districts and their eligible dependents. Premiums for reinsurance provided pursuant to this subsection must be paid

out of state appropriated and other funds received for actual health insurance or cafeteria plan premiums due.

(C) Notwithstanding Sections 1-23-310 and 1-23-320 or any other provision of law, claims for benefits under any self-insured plan of insurance offered by the State to state and public school district employees and other eligible individuals must be resolved by procedures established by the board, which shall constitute the exclusive remedy for these claims, subject only to appellate judicial review consistent with the standards provided in Section 1-23-380.

(D) The General Assembly intends to authorize funding for the SCRHI Trust Fund in order to make progress toward reaching or maintaining the minimum annual required contribution under Governmental Accounting Standards Board Statement No. 45. The board shall determine the minimum annual required contribution pursuant to Section 1-11-705(H).

**State Health Plan Monthly Contribution Rates by Level of Coverage
2011 and Proposed Effective January 1, 2012**

EMPLOYER RATES
ALL HEALTH PLANS

	<u>2011</u>	<u>2012</u>
Enrollee Only	\$279.36	\$291.92
Enrollee/ Spouse	\$539.08	\$578.24
Enrollee/Children	\$443.44	\$448.06
Full Family	\$695.10	\$724.00

ENROLLEE RATES
Savings Plan

	<u>2011 Non-tobacco</u>	<u>2012 Non-tobacco</u>
Enrollee Only	\$ 9.28	\$ 9.70
Enrollee/ Spouse	\$ 72.56	\$ 77.40
Enrollee/Children	\$ 20.28	\$ 20.48
Full Family	\$108.56	\$113.00

	<u>2011 Tobacco</u>	<u>2012 Tobacco</u>
Enrollee Only	\$ 49.28	\$ 49.70
Enrollee/ Spouse	\$ 132.56	\$ 137.40
Enrollee/Children	\$ 80.28	\$ 80.48
Full Family	\$ 168.56	\$ 173.00

Standard Plan/ Medicare Supplement

	<u>2011 Non-tobacco</u>	<u>2012 Non-tobacco</u>
Enrollee Only	\$93.46	\$ 97.68
Enrollee/ Spouse	\$237.50	\$ 253.36
Enrollee/Children	\$142.46	\$ 143.86
Full Family	\$294.58	\$ 306.56

	<u>2011 Tobacco</u>	<u>2012 Tobacco</u>
Enrollee Only	\$133.46	\$ 137.68
Enrollee/ Spouse	\$297.50	\$ 313.36
Enrollee/Children	\$202.46	\$ 203.86
Full Family	\$354.58	\$ 366.56

Note: Employer and Enrollee rate increases by coverage level vary according to anticipated experience by coverage level. In aggregate, the Employer rates and Enrollee rates were each increased by 4.5%, consistent with the amount funded in the recently-passed fiscal 2012 Appropriation Act.

STATE BUDGET AND CONTROL BOARD

MEETING OF August 9, 2011

REGULAR SESSION

ITEM NUMBER 2

AGENCY: State Budget Division

SUBJECT: Permanent Improvement Project Overdrafts

In recent meetings, the Budget and Control Board has approved budget increases to projects which had already expended more funds than approved for the projects, resulting in overdrafts or negative balances, on the projects. SC Code Section 2-47-50 clearly states that budget increases are to be approved by the Budget and Control Board and reviewed by the Joint Bond Review Committee prior to the funds being expended.

To address projects that may have overdrafts in the future, the following policy is proposed for adoption by the Budget and Control Board:

Permanent improvement project overdrafts are projects on the Statewide Permanent Improvement Reporting System (SPIRS) which show the total project expenditures exceeding total project budget authority, resulting in a negative balance. Project overdrafts may result from errors in accounting entries or from an agency's or institution's failure to request revised budget authority before incurring additional expenditures.

It is the policy of the Budget and Control Board that overdrafts caused by the failure of an entity to request revised budget authority should not occur in any project. If overdrafts for any reason do occur, the agency or institution must report the cause of the overdraft immediately to Budget and Control Board staff. Any agency or institution that has not taken steps to resolve a project overdraft within 60 days of receipt of the monthly SPIRS report showing an overdraft will not be permitted to submit projects for approval by the Budget and Control Board until such steps are taken to resolve the overdraft.

BOARD ACTION REQUESTED:

Consider approving a policy for addressing permanent improvement project overdrafts as noted in the attachment to this agenda item entitled "Budget and Control Board Policy on Permanent Improvement Project Overdrafts."

ATTACHMENTS:

Agenda item worksheet; Budget and Control Board Policy on Permanent Improvement Project Overdrafts SC Code Section 2-47-50

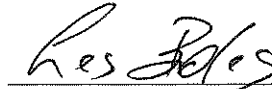
BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET

Meeting Scheduled for: August 9, 2011

Regular Agenda

1. Submitted by:

- (a) Agency: State Budget Division
- (b) Authorized Official Signature:



Les Boles, Director

2. Subject: Permanent Improvement Project Overdrafts

3. Summary Background Information:

In recent meetings, the Budget and Control Board has approved budget increases to projects which had already expended more funds than approved for the projects, resulting in overdrafts or negative balances, on the projects. SC Code Section 2-47-50 clearly states that budget increases are to be approved by the Budget and Control Board and reviewed by the Joint Bond Review Committee prior to the funds being expended.

To address projects that may have overdrafts in the future, the following policy is proposed for adoption by the Budget and Control Board:

Permanent improvement project overdrafts are projects on the Statewide Permanent Improvement Reporting System (SPIRS) which show the total project expenditures exceeding total project budget authority, resulting in a negative balance. Project overdrafts may result from errors in accounting entries or from an agency's or institution's failure to request revised budget authority before incurring additional expenditures.

It is the policy of the Budget and Control Board that overdrafts caused by the failure of an entity to request revised budget authority should not occur in any project. If overdrafts for any reason do occur, the agency or institution must report the cause of the overdraft immediately to Budget and Control Board staff. Any agency or institution that has not taken steps to resolve a project overdraft within 60 days of receipt of the monthly SPIRS report showing an overdraft will not be permitted to submit projects for approval by the Budget and Control Board until such steps are taken to resolve the overdraft.

4. What is Board asked to do?

Consider approving a policy for addressing permanent improvement project overdrafts.

5. What is recommendation of Board Division involved?

Consider approving a policy for addressing permanent improvement project overdrafts.

6. Recommendation of other Division/Agency (as required)?

- (a) Authorized Signature: _____
 - (b) Division/Agency Name: _____
-

7. List of Supporting Documents:

- (a) Budget and Control Board Policy on Permanent Improvement Project Overdrafts
- (b) SC Code Section 2-47-50

BUDGET AND CONTROL BOARD POLICY ON PERMANENT IMPROVEMENT PROJECT OVERDRAFTS

Permanent improvement project overdrafts are projects on the Statewide Permanent Improvement Reporting System (SPIRS) which show total project expenditures exceeding total project budget authority, resulting in a negative ending balance. Project overdrafts may result from errors in accounting entries or from an agency's or institution's failure to request revised budget authority before incurring additional expenditures.

It is the policy of the Budget and Control Board that overdrafts caused by the failure of an entity to request revised budget authority should not occur in any project. If overdrafts for any reason do occur, the agency or institution must report the cause of the overdraft immediately to Budget and Control Board staff. Any agency or institution that has not taken steps to resolve a project overdraft within 60 days of receipt of the monthly SPIRS report showing an overdraft will not be permitted to submit projects for approval by the Budget and Control Board until such steps are taken to resolve the overdraft.

SECTION 2-47-50. Establishment of permanent improvement projects by Board; review of proposed revisions; "permanent improvement project" defined.

The board shall establish formally each permanent improvement project before actions of any sort which implement the project in any way may be undertaken and no expenditure of any funds for any services or for any other project purpose contracted for, delivered, or otherwise provided prior to the date of the formal action of the board to establish the project shall be approved. State agencies and institutions may advertise and interview for project architectural and engineering services for a pending project so long as the architectural and engineering contract is not awarded until after a state project number is assigned. After the committee has reviewed the form to be used to request the establishment of permanent improvement projects and has reviewed the time schedule for considering such requests as proposed by the board, requests to establish permanent improvement projects shall be made in such form and at such times as the board may require.

Any proposal to finance all or any part of any project using any funds not previously authorized specifically for the project by the General Assembly or using any funds not previously approved for the project by the board and reviewed by the committee shall be referred to the committee for review prior to approval by the board.

Any proposed revision of the scope or of the budget of an established permanent improvement project deemed by the board to be substantial shall be referred to the committee for its review prior to any final action by the board. In making their determinations regarding changes in project scope, the board and the committee shall utilize the permanent improvement project proposal and justification statements, together with any supporting documentation, considered at the time the project was authorized or established originally. Any proposal to increase the budget of a previously approved project using any funds not previously approved for the project by the board and reviewed by the committee shall in all cases be deemed to be a substantial revision of a project budget which shall be referred to the committee for review. The committee shall be advised promptly of all actions taken by the board which approve revisions in the scope of or the budget of any previously established permanent improvement project not deemed substantial by the board.

AGENCY: State Budget Division

SUBJECT: Permanent Improvement Projects

Budget and Control Board approval is requested for the following permanent improvement project establishment requests and budget revisions which have been reviewed favorably by the Joint Bond Review Committee:

- (a) Summary 1-2012: JBRC Item 1. Coastal Carolina University
Project: 9587, Tennis Complex Construction
Request: Establish project and budget for \$30,000 (Other, Renovation Reserve/Plant Expansion funds) to begin design work to construct a new tennis complex at Coastal Carolina. The new facility will include twelve tennis courts, coaches' offices, a press box, locker rooms, restrooms, equipment storage, lighting, scoreboards, a public address system, and bleachers. The university currently has six tennis courts for tennis team use and two courts for student use and recreational classes. The two student courts will be demolished to renovate the baseball stadium because of their proximity to the outfield and the six tennis team courts are insufficient and have only a small equipment storage area and portable bleachers. Increased court availability is needed due to student growth. Once the new complex is completed, the six tennis team courts will become available for general student and recreational use.
- (b) Summary 1-2012: JBRC Item 2. Coastal Carolina University
Project: 9588, Science Annex II Construction
Request: Establish project and budget for \$210,000 (Institution Bond funds) to begin design work to construct a second Science Annex at Coastal Carolina. The annex will be approximately 40,000 square feet and will house six large classrooms, nine teaching labs, six small research labs and 40 faculty offices. The College of Natural and Applied Sciences is the largest of the university's four academic colleges. The science departments are spread throughout several locations on campus. One new science annex is currently under construction and construction of this second science annex will provide needed labs, classrooms and faculty offices to accommodate the expanding student population and faculty growth, which have each increased approximately 50% in the past five years. The source of funds for the pre-design project is interest earned on 2010 Institution Bonds, which will not result in a student fee increase.

AGENCY: State Budget Division

SUBJECT: Permanent Improvement Projects

- (c) Summary 1-2012: JBRC Item 3. Adjutant General
Project: 9764, Greenville Field Maintenance Shop Construction
Request: Establish project and budget for \$186,195 (Federal funds) to begin design work to construct a new field maintenance shop for the National Guard in Greenville. The new 49,165 square foot facility will include maintenance work bays, administrative areas, parking, access roads, fencing, lighting, and related amenities. The three maintenance facilities this new one will replace are not adequate to accommodate the equipment assigned to the units. The shops are in poor condition, do not meet current building codes, and are one quarter the size authorized to support the facilities' missions. The slopes of the existing sites cause surface runoff to flow into workbays, creating safety hazards and causing lost maintenance hours. Continued use of inadequate maintenance facilities will reduce the training and mobilization readiness of the units.
- (d) Summary 1-2012: JBRC Item 4. Budget and Control Board
Project: 9902, Capitol Complex Lot Electrical Infrastructure Renovation
Request: Establish project and budget for \$31,025 (Other, Depreciation Reserve funds) to begin design work to renovate the electrical infrastructure for the eight Capitol Complex buildings. The work will include removing and replacing transformers serving the buildings, demolishing existing switchgear, installing new conduit, and other related electrical work. The existing electrical service for the Capitol Complex is approximately 40 years old, employs an obsolete and rarely used voltage, and replacement parts are difficult to find. The new service will be more reliable and efficient, employing a more standard voltage, and will allow for more effective maintenance.
- (e) Summary 1-2012: JBRC Item 5. Department of Transportation
Project: 9719, Headquarters Building Elevator Machine Upgrade
Request: Establish project and budget for \$4,050 (Other, State Highway Funds) to begin design work to upgrade the elevators in the Department of Transportation's headquarters building. The work will include replacing the three passenger elevator machines. The passenger elevator controls were replaced in 2000, but the machines were not replaced. The elevator machines are 34 years old, replacement parts are no longer manufactured, and replacement parts are only available from salvage yards.

AGENCY: State Budget Division

SUBJECT: Permanent Improvement Projects

- (f) Summary 1-2012: JBRC Item 6. Department of Transportation
Project: 9720, Greenville District 3 Office Building Elevator Upgrade
Request: Establish project and budget for \$5,400 (Other, State Highway Funds) to begin design work to upgrade the elevators in the Department of Transportation's Greenville District 3 Office Building. The upgrade will include replacing the controller and motors and upgrading the car controls on each floor of the five-story building. The elevators are 36 years old and original to the building. Elevator replacement parts are no longer available and can only be found in salvage yards.

Increase Budget for A&E Design

- (g) Summary 1-2012: JBRC Item 9. University of South Carolina
Project: 6079, Close-Hipp Building Renovation
Request: Increase budget to \$781,250 (add \$331,250 Federal funds) to continue pre-design work for renovation of the Close-Hipp Building at USC for the Department of Justice. When the project was submitted for pre-design work in June 2010, USC anticipated the project would follow a traditional design-bid-build construction approach. During development of pre-design, the program and anticipated scope of work were evaluated against a tight schedule and the project delivery method was changed to Construction Management at Risk, which allows early involvement of the contractor in rigorous cost controls during design that will mitigate the risk of future construction costs. In addition, program items, including costs to renovate to the new International Building Code, detailed analyses of LEED credits and cost implications, systems and design options for interior efficiencies, and infrastructure services upgrades, are needed to provide a more accurate cost estimate for construction funding. The increase will fund more extensive documentation by the design team during the schematic design phase, the addition of pre-design services and specialty consultants to provide information on these complex items, and the addition of Construction Management at Risk for pre-design services.

AGENCY: State Budget Division

SUBJECT: Permanent Improvement Projects

Establish Construction Budget

- (h) Summary 1-2012: JBRC Item 10. Clemson University
Project: 9894, Indoor Football Practice Facility Construction
Request: Increase budget to \$10,000,000 (add \$9,850,000 Other, Private funds) to construct an approximately 80,000 square foot indoor football practice facility at Clemson. The project was established in May 2011 for pre-design work which is now complete. The facility will include a full-sized synthetic turf football field, a coaches tower, a training room, video recording platforms, and lighting and sound systems. The football program currently has no adequate indoor location for practice. The facility will benefit the football program by improving the efficiency in scheduling and in attracting the best student athletes. The building will also provide refuge for all groups participating in outdoor activities when dangerous weather alerts are issued. Energy savings and conservation measures will include the installation of high efficiency mechanical equipment, pumps and motors. The agency reports the total projected cost of this project is \$10 million and additional annual operating costs of \$240,000 will result in the three years following project completion. The agency also reports the projected date for execution of the construction contract is November 2011 and for completion of construction is January 2013. (See Attachment 1 for additional annual operating costs.)
- (i) Summary 1-2012: JBRC Item 11. University of South Carolina
Project: 6073, Maxcy College Renovation
Request: Increase budget to \$3,750,000 (add \$3,693,750 Other, Housing Maintenance Reserve funds) to renovate the 44,662 square foot Maxcy College residence hall at USC. The project was established in December 2009 for pre-design work which is now complete. The renovation will include replacing the mechanical system and converting the facility to an International House Living/Learning Center, including renovating an existing classroom, creating a dining/multipurpose space and accommodations for two visiting scholars, and reconfiguring two student rooms for improved ADA accessibility. The mechanical system will be replaced due to the current system's inability to adequately control humidity levels. The remaining renovations will support the living/learning environment, which will foster interaction among students of varied nationalities and more fully integrate educational opportunities into the students' residential life. The facility will be renovated to LEED Silver Certification and will include sustainable sites, water efficiency, energy and

AGENCY: State Budget Division

SUBJECT: Permanent Improvement Projects

atmosphere, materials and resources, and indoor environmental quality measures. The LEED cost benefit analysis shows a positive cost benefit of \$277,654 over 30 years. The agency reports the total projected cost of this project is \$3,750,000 and no additional annual operating costs will result from the project. The agency also reports the projected date for execution of the construction contract is March 2012 and for completion of construction is July 2012.

- (j) Summary 1-2012: JBRC Item 12. Medical University of South Carolina
Project: 9817, Hollings Cancer Center Third Floor Mammography Clinic Renovation
Request: Increase budget to \$2,200,000 (add \$2,167,000 Other, Clinical Revenue funds) to renovate space on two floors of the Hollings Cancer Center to support the Mammography Clinic at MUSC. The project was established in May 2011 for pre-design work which is now complete. The renovation will consolidate the Mammography Clinic on the third floor and the Radiation Oncology Clinic on the first floor of the center. The work on both floors will include reconfiguring existing spaces, modifying the mechanical and electrical systems, and providing new interior finishes. The renovation will support the clinical trials of the new College of Medicine Dean in mammography technologies and will provide for areas for patient privacy, for logical work flow, and for integration of research space with clinical areas. Energy savings and conservation measures will include the installation of energy efficient lighting, low flow faucets and plumbing fixtures, the use of local materials, and the recycling of construction waste. The agency reports the total projected cost of this project is \$2.2 million and no additional annual operating costs will result from the project. The agency also reports the projected date for execution of the construction contract is December 2011 and for completion of construction is October 2012.
- (k) Summary 1-2012: JBRC Item 13. State Board for Technical and Comprehensive Education
Project: 6016, Trident - Nursing and Science Building Construction
Request: Increase budget to \$30,000,000 (add \$29,550,000 Other, Local County funds) to construct a new nursing and science building at Trident Tech. The project was established in June 2010 for pre-design work which is now complete. The 91,590 square foot facility will house nursing and science labs, general classrooms, study and meeting space for students, faculty offices, and the

AGENCY: State Budget Division

SUBJECT: Permanent Improvement Projects

Nursing Resource Center. Trident Tech is the largest provider of nursing education in the Low Country. Enrollments in Nursing and pre-Nursing programs have increased by 554%, Allied Health programs and pre-programs have increased by 500% and biology programs have increased by 422% since the Health Sciences Building was constructed in 1989. The college does not have the space to accommodate the community's need or students' interests in these programs. The facility will be constructed to LEED Silver certification and will include water efficiency, energy and atmosphere, and indoor environmental quality measures. The LEED cost benefit analysis shows a positive cost benefit of \$11,194,613 over 30 years. The agency reports the total projected cost of this project is \$30 million and additional annual operating costs ranging from \$717,300 to \$775,831 will result in the three years following project completion. The agency also reports the projected date for execution of the construction contract is April 2012 and for completion of construction is July 2013. (See Attachment 2 for additional annual operating costs.)

(I) Summary 1-2012: JBRC Item 14. State Board for Technical and Comprehensive Education

Project: 6021, Trident - Building 700/800 Reroofing

Request: Increase budget to \$850,000 (add \$837,250 Other, Local Institutional funds) to replace the roof on Building 700/800 at Trident Tech. The project was established in September 2010 for pre-design work which is now complete. The work will include removing the existing roof and insulation, repairing the metal deck, installing new roofing and insulation, and sealing the joints at the top of the building. The existing roof is 32 years old and leaks, causing damage to the building's interior finishes. Numerous repairs have been made, but the roof is at the end of its intended life. Energy savings and conservation measures will include installing a highly reflective roof to decrease heat load, replacing sealant joints on the building envelope, and increasing insulation to increase energy efficiency. The agency reports the total projected cost of this project is \$850,000 and annual operating cost savings ranging from \$3,510 to \$3,796 will result in the three years following project completion. The agency also reports the projected date for execution of the construction contract is March 2012 and for completion of construction is September 2012. (See Attachment 3 for annual operating cost savings.)

AGENCY: State Budget Division

SUBJECT: Permanent Improvement Projects

(m) Summary 1-2012: JBRC Item 15. Budget and Control Board

Project: 9900, Sumter Street Building Asbestos Abatement

Request: Increase budget to \$430,500 (add \$406,500 - \$333,021 Other, Depreciation Reserve and \$73,479 Other, Manville Settlement funds) to abate asbestos in the Sumter Street Building. The project was established in June 2011 for pre-design work which is now complete. The work, currently in process under an emergency procurement, includes abating asbestos in the floor tiles, ceiling tiles and damaged gypsum board in identified areas, replacing the ceiling tiles, floor tiles and light fixtures, and moving tenants out of the building and back after abatement is completed. The abatement and emergency procurement were needed to ensure the health and welfare of tenants and visitors to the building when the ceiling tiles tested positive for asbestos. Energy savings and conservation measures will include the installation of energy efficient lighting and a reduced number of lighting fixtures. The agency reports the total projected cost of this project is \$430,500 and annual operating cost savings of \$6,472 will result in the three years following project completion. The agency also reports the date for execution of the construction contract was June 2011 and for completion of construction is September 2011. (See Attachment 4 for annual operating cost savings.)

(n) Summary 5-2011: JBRC Item 9. University of South Carolina

Project: 6080, Discovery I Third, Fourth and Fifth Floors Upfit

Request: Increase budget to \$15,500,000 (add \$15,342,500 Other, Grant Generated funds) to complete the upfit of the Discovery I building at USC. The project was established in December 2010 for pre-design work which is now complete. The building was constructed in 2008 as shell space and has been partially built out on the first and second floors. The work will include completing the build out and equipping for those floors to allow full occupancy and research capability for existing occupants. It will also include upfitting the remaining three floors for Centers of Economic Excellence Endowed Chairs in Cancer Therapeutics, Healthful Lifestyles, and Rehabilitation and Reconstruction and to provide offices, labs and research facilities for research staff and faculty in other health and medical areas. The upfit will be constructed to LEED Silver Certification and will include sustainable sites, water efficiency, energy and atmosphere, and indoor environmental quality energy savings and conservation measures. The LEED cost benefit analysis shows a positive cost benefit of

AGENCY: State Budget Division

SUBJECT: Permanent Improvement Projects

\$2,343,000 over 30 years. The agency reports the total projected cost of this project is \$15.5 million and additional annual operating costs of \$542,230 will result in the three years following project completion. The agency also reports the projected date for execution of the construction contract is May 2012 and for completion of construction is July 2013. (See Attachment 5 for additional annual operating costs.)

BOARD ACTION REQUESTED:

Approve permanent improvement project establishment requests and budget revisions. All items have been reviewed favorably by the Joint Bond Review Committee.

ATTACHMENTS:

Attachments

**ADDITIONAL ANNUAL OPERATING COSTS/SAVINGS
RESULTING FROM PERMANENT IMPROVEMENT PROJECT**

ATTACHMENT 1

1. AGENCY
Code H12 Name Clemson University

2. PROJECT
Project # 9894 Name Indoor Football Practice Facility Construction

3. ADDITIONAL ANNUAL OPERATING COSTS/SAVINGS. (Check whether reporting costs or savings.)

☒ COSTS

☐ SAVINGS

☐ NO CHANGE

4.

TOTAL ADDITIONAL OPERATING COSTS/SAVINGS				
Projected Financing Sources				
(1)	(2)	(3)	(4)	(5)
Fiscal Y6ar	General Funds	Federal	Other	Total
1) 2012-13	\$0	\$	\$120,000	\$120,000*
2) 2013-14	\$0	\$	\$240,000	\$240,000
3) 2014-15	\$0	\$	\$240,000	\$240,000

* Partial Year

5. If "Other" sources are reported in Column 4 above, itemize and specify what the other sources are (revenues, fees, etc.).
Athletic Operating

6. Will the additional costs be absorbed into your existing budget? X YES NO
If no, how will additional funds be provided?

7. Itemize below the cost factors that contribute to the total costs or savings reported above in Column 5 for the first fiscal year.

COST FACTORS

AMOUNT

1. <u>Utilities</u>	<u>140,000 per year</u>
2. <u>Maintenance</u>	<u>100,000 per year</u>
3. _____	_____
4. _____	_____
5. _____	_____
6. _____	_____
7. _____	_____
8. _____	_____

TOTAL 240,000 per year initial cost

8. If personal services costs or savings are reported in 7 above, please indicate the number of additional positions required or positions saved. _____

9. Submitted By: John McEntire
Signature of Authorized Official and Title
John McEntire, Director Capital Projects

5/12/11
Date

**ADDITIONAL ANNUAL OPERATING COSTS/SAVINGS
RESULTING FROM PERMANENT IMPROVEMENT PROJECT**

ATTACHMENT 2

1. AGENCY
Code H59 Name Trident Technical College

2. PROJECT
Project # 6016 Name Trident Tech - Nursing and Science Building Construction

3. ADDITIONAL ANNUAL OPERATING COSTS/SAVINGS. (Check whether reporting costs or savings.)



COSTS



SAVINGS



NO CHANGE

4.

TOTAL ADDITIONAL OPERATING COSTS/SAVINGS				
Projected Financing Sources				
(1)	(2)	(3)	(4)	(5)
Fiscal Year	General Funds	Federal	Other	Total
1) 2014	\$	\$	\$717,300	\$717,300
2) 2015	\$	\$	\$745,992	\$745,992
3) 2016	\$	\$	\$775,831	\$775,831

5. If "Other" sources are reported in Column 4 above, itemize and specify what the other sources are (revenues, fees, etc.).

Operations and maintenance funds are provided by Charleston, Berkeley and Dorchester Counties.

6. Will the additional costs be absorbed into your existing budget?



YES



NO

If no, how will additional funds be provided?

7. Itemize below the cost factors that contribute to the total costs or savings reported above in Column 5 for the first fiscal year.

COST FACTORS		AMOUNT
1. <u>Maintenance</u>		<u>287,100</u>
2. <u>Utilities</u>		<u>333,000</u>
3. <u>Janitorial</u>		<u>97,200</u>
4. _____		
5. _____		
6. _____		
7. _____		
8. _____		
TOTAL		<u>717,300</u>

8. If personal services costs or savings are reported in 7 above, please indicate the number of additional positions required or positions saved. _____

9. Submitted By: Dr. Mary Thornley, President

Mary Thornley
Signature of Authorized Official and Title

5/4/11
Date

**ADDITIONAL ANNUAL OPERATING COSTS/SAVINGS
RESULTING FROM PERMANENT IMPROVEMENT PROJECT**

ATTACHMENT 3

1. AGENCY
Code H59 Name Trident Technical College

2. PROJECT
Project # 6021 Name Trident - Building 700/800 Reroofing

3. ADDITIONAL ANNUAL OPERATING COSTS/SAVINGS. (Check whether reporting costs or savings.)

☐

COSTS

☒

SAVINGS

☐

NO CHANGE

4.

TOTAL ADDITIONAL OPERATING COSTS/SAVINGS				
Projected Financing Sources				
(1)	(2)	(3)	(4)	(5)
Fiscal Year	General Funds	Federal	Other	Total
1)2013	\$	\$	\$3,510.00	\$3,510.00
2)2014	\$	\$	\$3,650.00	\$3,650.00
3)2015	\$	\$	\$3,796.00	\$3,796.00

5. If "Other" sources are reported in Column 4 above, itemize and specify what the other sources are (revenues, fees, etc.).

County funded operations and maintenance.

6. Will the additional costs be absorbed into your existing budget?
If no, how will additional funds be provided?

☒

YES

☐

NO

7. Itemize below the cost factors that contribute to the total costs or savings reported above in Column 5 for the first fiscal year.

COST FACTORS		AMOUNT
1. <u>Reduced energy consumption</u>		<u>\$3,510.00</u>
2. _____		_____
3. _____		_____
4. _____		_____
5. _____		_____
6. _____		_____
7. _____		_____
8. _____		_____
TOTAL		<u>\$3,510.00</u>

8. If personal services costs or savings are reported in 7 above, please indicate the number of additional positions required or positions saved. _____

9. Submitted By: Dr. Mary Thornley, President
Signature of Authorized Official and Title

Mary Thornley

5/9/11
Date

**ADDITIONAL ANNUAL OPERATING COSTS/SAVINGS
RESULTING FROM PERMANENT IMPROVEMENT PROJECT**

ATTACHMENT 4

1. AGENCY
Code F03 Name: South Carolina Budget & Control Board / General Services Division

2. PROJECT
Project # F03-9900 Name: Sumter Street Building (104178) - Asbestos Abatement

3. ADDITIONAL ANNUAL OPERATING COSTS/SAVINGS. (Check whether reporting costs or savings.)

☐ COSTS

☒ SAVINGS

☐ NO CHANGE

4.

TOTAL ADDITIONAL OPERATING COSTS/SAVINGS				
Projected Financing Sources				
(1)	(2)	(3)	(4)	(5)
Fiscal Year	General Funds	Federal	Other	Total
1) 2011-12	\$6,472.00	\$	\$0	\$6,472.00
2) 2012-13	\$6,472.00	\$	\$0	\$6,472.00
3) 2013-14	\$6,472.00	\$	\$0	\$6,472.00

5. If "Other" sources are reported in Column 4 above, itemize and specify what the other sources are (revenues, fees, etc.).

6. Will the additional costs be absorbed into your existing budget?
If no, how will additional funds be provided?

☐ YES

☐ NO

7. Itemize below the cost factors that contribute to the total costs or savings reported above in Column 5 for the first fiscal year.

<u>COST FACTORS</u>	<u>AMOUNT</u>
1. <u>Electrical savings due to energy efficient lighting</u>	<u>\$6,472.00</u>
2. <u>fixtures.</u>	
3. _____	
4. _____	
5. _____	
6. _____	
7. _____	
8. _____	
TOTAL	<u>\$6,472.00</u>

8. If personal services costs or savings are reported in 7 above, please indicate the number of additional positions required or positions saved. _____

9. Submitted By: Marcia Adams General Services Division
Signature of Authorized Official and Title

7/27/11
Date

Marcia Adams

ADDITIONAL ANNUAL OPERATING COSTS/SAVINGS
RESULTING FROM PERMANENT IMPROVEMENT PROJECT

1. AGENCY
 Code H27 Name USC Columbia

2. PROJECT
 Project # 6080 Name Discovery I Third, Fourth and Fifth Floors Upfit

3. ADDITIONAL ANNUAL OPERATING COSTS/SAVINGS. (Check whether reporting costs or savings.)

☒ COSTS

☐ SAVINGS

☐ NO CHANGE

4.

TOTAL ADDITIONAL OPERATING COSTS/SAVINGS				
Projected Financing Sources				
(1)	(2)	(3)	(4)	(5)
Fiscal Year	General Funds	Federal	Other	Total
1) 2013/14	\$542,230.00	\$	\$	\$ 542,230.00
2) 2014/15	\$542,230.00	\$	\$	\$ 542,230.00
3) 2015/16	\$542,230.00	\$	\$	\$ 542,230.00

5. If "Other" sources are reported in Column 4 above, itemize and specify what the other sources are (revenues, fees, etc.).

6. Will the additional costs be absorbed into your existing budget?
 If no, how will additional funds be provided?

☒ YES

☐ NO

7. Itemize below the cost factors that contribute to the total costs or savings reported above in Column 5 for the first fiscal year.

<u>COST FACTORS</u>	<u>AMOUNT</u>
1. <u>Custodial</u>	<u>123,390.00</u>
2. <u>Maintenance</u>	<u>123,390.00</u>
3. <u>Waste Management</u>	<u>3,427.00</u>
4. <u>Utilities</u>	<u>292,023.00</u>
5. _____	_____
6. _____	_____
7. _____	_____
8. _____	_____
TOTAL	<u>542,230.00</u>

8. If personal services costs or savings are reported in 7 above, please indicate the number of additional positions required or positions saved. 5

9. Submitted By: Thomas D. Clumery Associate V.P., Facilities
 Signature of Authorized Official and Title

5/9/11

Date

Permanent Improvement Project Information for August 9, 2011 B&CB Meeting

Agency/ Project No.	Agency/Project Name	Original Approved Budget	Date of Original Approval	Phase I Amount	Date of Phase I Approval	Included in CIP	Total Projected Project Cost
H17-9587	Coastal Carolina University - Tennis Complex Construction	\$30,000 for pre-design	8/9/11	\$30,000	8/9/11	No	To Be Determined
H17-9588	Coastal Carolina University - Science Annex II Construction	\$210,000 for pre-design	8/9/11	\$210,000	8/9/11	2009 CIP Year 2	To Be Determined
E24-9764	Adjutant General - Greenville Field Maintenance Shop Construction	\$186,195 for pre-design	8/9/11	\$186,195	8/9/11	2009 CIP Year 5	To Be Determined
F03-9902	Budget and Control Board - Capitol Complex Lot Electrical Infrastructure Renovation	\$31,025 for pre-design	8/9/11	\$31,025	8/9/11	No	To Be Determined
U12-9719	Department of Transportation - Headquarters Building Elevator Machine Upgrade	\$4,050 for pre-design	8/9/11	\$4,050	8/9/11	2011 CIP Year 1	To Be Determined
U12-9720	Department of Transportation - Greenville District 3 Office Building Elevator Upgrade	\$5,400 for pre-design	8/9/11	\$5,400	8/9/11	2011 CIP Year 1	To Be Determined
H27-6079	University of South Carolina - Close-Hipp Building Renovation	\$450,000 for pre-design	6/30/10	\$781,250	8/9/11	2011 CIP Year 1	To Be Determined
H12-9894	Clemson University - Indoor Football Practice Facility Construction	\$150,000 for pre-design	5/2/11	\$150,000	5/2/11	No	\$10,000,000
H27-6073	University of South Carolina - Maxcy College Renovation	\$56,250 for pre-design	12/15/09	\$56,250	12/15/09	2011 CIP Year 1	\$3,750,000
H51-9817	MUSC - Hollings Center Third Floor Mammography Clinic Renovation	\$33,000 for pre-design	5/2/11	\$33,000	5/2/11	No	\$2,200,000
H59-6016	Trident Tech - Nursing and Science Building Construction	\$450,000 for pre-design	6/30/10	\$450,000	6/30/10	2011 CIP Year 1	\$30,000,000
H59-6021	Trident Tech - Building 700/800 Reroofing	\$12,750 for pre-design	9/29/10	\$12,750	9/29/10	2011 CIP Year 1	\$850,000
F03-9900	Budget and Control Board - Sumter Street Building Asbestos Abatement	\$24,000	6/9/11	\$24,000	6/9/11	No	\$430,500
H27-6080	University of South Carolina - Discovery I Third, Fourth and Fifth Floors Upfit	\$157,500	12/14/10	\$157,500	12/14/10	2011 CIP Year 1	\$15,500,000

STATE BUDGET AND CONTROL BOARD
MEETING OF August 9, 2011

REGULAR SESSION
ITEM NUMBER 4

AGENCY: State Budget Division

SUBJECT: Real Property Acquisitions

The State Budget Division recommends approval of the following real property acquisitions:

- (a) **Agency:** **Coastal Carolina University**
Acreage: N/A - This acquisition is for the 7,884 square foot building only, which is located on a portion of a 14.75± acre tract being donated to Coastal Carolina in (b) below.
Location: At 204 University Boulevard in Conway
County: Horry
Purpose: To provide office and medical care space for the Student Health Services and Student Counseling Departments.
Appraised Value: \$1,050,000
Price/Seller: \$803,773 / Conway Hospital, Inc.
Source of Funds: Other, One Cent Sales Tax
Project Number: H17-9579
Environmental Study: Approved
Building Condition Approved
Assessment:
Additional Annual Op Cost/SOF: The university currently leases and maintains the property. Annual operating cost savings of \$73,450 paid from the operating budget supported by tuition will result after acquisition.
Current Year Property Tax: \$332
Approved By: CHE on 5/17/11; JBRC on 8/2/11
Additional Information: This request also includes approval on an increase to the permanent improvement project of \$804,000 from the fund source noted above.
- (b) **Agency:** **Coastal Carolina University**
Acreage: 14.75± acres
Location: Adjacent to University Boulevard in Conway
County: Horry
Purpose: To construct a 630-space parking lot, a new public safety facility and provide the land for the Student Health Services Building to be purchased in (a) above.

STATE BUDGET AND CONTROL BOARD
MEETING OF August 9, 2011

REGULAR SESSION
ITEM NUMBER 4, Page 2

AGENCY: State Budget Division

SUBJECT: Real Property Acquisitions

Appraised Value:	N/A
Price/Seller:	Donation / Coastal Educational Foundation
Source of Funds:	N/A
Project Number:	H17-9586
Environmental Study:	Approved
Building Condition	N/A
Assessment:	
Additional Annual Op Cost/SOF:	No additional annual operating costs are anticipated from the acquisition as the developed areas of property are already maintained by the University. Construction of the parking lot and public safety facility are estimated to cost \$1.4 million and \$1,640,000, respectively, and will be funded with a combination of Other, Renovation Reserve/Plant Expansion, Parking Operations and One Cent Sales Tax funds.
Current Year Property Tax:	N/A
Approved By:	CHE on 6/20/11; JBRC on 8/2/11

BOARD ACTION REQUESTED:

Approve the property acquisitions as requested.

ATTACHMENTS:

Agenda item worksheet and attachments

BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET

Meeting Scheduled for: August 9, 2011

Regular Agenda

1. Submitted by:

- (a) Agency: State Budget Division
(b) Authorized Official Signature:


Les Boles, Director

2. Subject: REAL PROPERTY ACQUISITIONS

3. Summary Background Information:

- | | |
|--------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (a) <u>Agency:</u> | Coastal Carolina University |
| Acreage: | N/A - This acquisition is for the 7,884 square foot building only, which is located on a portion of a 14.75± acre tract being donated to Coastal Carolina in (b) below. |
| Location: | At 204 University Boulevard in Conway |
| County: | Horry |
| Purpose: | To provide office and medical care space for the Student Health Services and Student Counseling Departments. |
| Appraised Value: | \$1,050,000 |
| Price/Seller: | \$803,773 / Conway Hospital, Inc. |
| Source of Funds: | Other, One Cent Sales Tax |
| Project Number: | H17-9579 |
| Environmental Study: | Approved |
| Building Condition Assessment: | Approved |
| Additional Annual Op Cost/SOF: | The university currently leases and maintains the property. Annual operating cost savings of \$73,450 paid from the operating budget supported by tuition will result after acquisition. |
| Current Year Property Tax: | \$332 |
| Approved By: | CHE on 5/17/11; JBRC on 8/2/11 |
| Additional Information: | This request also includes approval on an increase to the permanent improvement project of \$804,000 from the fund source noted above. |

(b) Agency:	Coastal Carolina University
Acreage:	14.75± acres
Location:	Adjacent to University Boulevard in Conway
County:	Horry
Purpose:	To construct a 630-space parking lot, a new public safety facility and provide the land for the Student Health Services Building to be purchased in (a) above.
Appraised Value:	N/A
Price/Seller:	Donation / Coastal Educational Foundation
Source of Funds:	N/A
Project Number:	H17-9586
Environmental Study:	Approved
Building Condition Assessment:	N/A
Additional Annual Op Cost/SOF:	No additional annual operating costs are anticipated from the acquisition as the developed areas of property are already maintained by the University. Construction of the parking lot and public safety facility are estimated to cost \$1.4 million and \$1,640,000, respectively, and will be funded with a combination of Other, Renovation Reserve/Plant Expansion, Parking Operations and One Cent Sales Tax funds.
Current Year Property Tax:	N/A
Approved By:	CHE on 6/20/11; JBRC on 8/2/11

4. What is Board asked to do?

Approve the property acquisitions as requested.

5. What is recommendation of Board Division involved?

Recommend approval of the property acquisitions requested.

6. Recommendation of other Division/Agency (as required)?

(a) Authorized Signature: _____
(b) Division/Agency Name: _____

7. List of Supporting Documents:

1. Code Section 1-11-65
 - (a) Coastal Carolina University - H17-9579
 - (b) Coastal Carolina University - H17-9586

SECTION 1-11-65. Approval and recordation of real property transactions involving governmental bodies.

(A) All transactions involving real property, made for or by any governmental bodies, excluding political subdivisions of the State, must be approved by and recorded with the State Budget and Control Board. Upon approval of the transaction by the Budget and Control Board, there must be recorded simultaneously with the deed, a certificate of acceptance, which acknowledges the board's approval of the transaction. The county recording authority cannot accept for recording any deed not accompanied by a certificate of acceptance. The board may exempt a governmental body from the provisions of this subsection.

(B) All state agencies, departments, and institutions authorized by law to accept gifts of tangible personal property shall have executed by its governing body an acknowledgment of acceptance prior to transfer of the tangible personal property to the agency, department, or institution.

**(a) Coastal Carolina University
Horry County
H17-9579**

List of Supporting Documents:

1. Letter from Agency
2. Appraisal Results
3. Map
4. Environmental Results
5. Cost Implications



Vice President
for Finance and Administration

May 12, 2011

Ms. Carol Routh
Assistant Director, Capital Budgeting Section
Office of State Budget
1205 Pendleton Street,
Edgar A. Brown Building, Suite 529
Columbia, SC 29201

Dear Carol:

Please accept this letter as a request for State Budget and Control Board approval for the purchase of the Student Health Services building in the amount of \$803,772.52. Purchase price is estimated based on an August 31, 2011 closing. Should the closing take place after the September 2011 payment is due, the purchase price will reduce to \$800,985.28. This facility provides much needed office and medical care space for our Student Health Services and Student Counseling Departments.

Thank you for your assistance in this regard.

Sincerely,

A handwritten signature in cursive script, reading "Stacie A. Bowie".

Stacie A. Bowie
Vice President for Finance & Administration

magrath ■

George N. Magrath, Jr., MAI
CG 1391

gmagrath@magrathappraisal.com

May 10, 2011

Sandy Williams
Coastal Carolina University
PO Box 261954
Conway, SC 29528-6054

Re: Student Health and Counseling Services Building
204 University Boulevard, Conway, SC 29526

Dear Sandy:

I have appraised the captioned property and determined that the market value of the improvements only at 204 University Boulevard is \$1,050,000 as of May 4, 2011. That value does not include any land as the building and land are owned by separate entities. The enclosed report details my analyses and is fully incorporated into this letter.

Please don't hesitate to call if you have questions and thank you for this business. With kind regards, I remain

Sincerely yours,



George N. Magrath, Jr., MAI

Magrath Appraisal Services, Inc.
PO Box 1665
Conway, SC 29528-1665

(843) 488-2103 phone
(843) 248-4876 fax
www.magrathappraisal.com

NOTE: PROPERTY IS SHOWN TO BE ACCORDING TO RECORDS AND NOT TO BE A TRUE

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SUMMARY

S&ME, Inc. has completed a Phase I Environmental Site Assessment (ESA) on a parcel of land totaling approximately 15.6 acres, located south of and adjacent to University Boulevard in Conway (Horry County), South Carolina. The Horry County GIS website identifies the subject property as Horry County Tax Map Numbers (TMS) 151-00-01-099 and 151-00-01-021. This summary is intended as an overview of the Phase I ESA for the convenience of the reader. The complete report must be reviewed in its entirety prior to making decisions regarding this site.

The purpose of this Phase I ESA was to identify, to the extent feasible pursuant to ASTM E 1527-05, Recognized Environmental Conditions (RECs) in connection with the site. The ASTM Standard Practice E 1527-05 defines "good commercial and customary practice for conducting an environmental site assessment of a parcel of commercial real estate with respect to the range of contaminants within the scope of the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) and to petroleum products". This practice is intended to permit a user to satisfy one of the requirements to qualify for the "innocent landowner, contiguous property owner, or bona fide prospective purchaser limitations to CERCLA liability."

On May 31, 2011, Mrs. Dawn Schoolcraft, an environmental technologist with S&ME, under the guidance of Thomas Still, P.E., an environmental professional, conducted a site reconnaissance to evaluate the subject property for drainage patterns, vegetation patterns, stains, discoloration, surrounding land use, and other visual aspects suggestive of the presence of recognized environmental conditions. The northeastern portion of the property is developed with the Coastal Carolina University (CCU) Student Health Center with the remainder of the property remaining wooded undeveloped land. A lift station is located in the east corner of the property. Bill Baxley Hall and Wheelwright Auditorium are located to the north of the subject property. Residential dwellings and a portion of Quail Creek Golf Course are located to the south. Several Horry-Georgetown Technical College Maintenance facilities are located to the east with undeveloped wooded land and Lacey Chapel to the west.

S&ME contracted Environmental Data Resources (EDR) to prepare a Field Check™ Radius Report compiling federal and state environmental database information. S&ME also viewed historical aerial photographs to determine past uses of the subject site and its adjacent properties. Interviews with the current property owner and with the local fire department were also conducted to further determine the environmental status of the subject site. This process revealed that the northeastern portion of the subject property has historically been used by the Grand Strand Water & Sewer Authority (GSW&SA) as a sewage treatment facility utilized by the Horry-Georgetown Technical College for sewage disposal/treatment until approximately the early 1990's. The CCU Student Health Center was constructed between 1994 and 2005. The remainder of the subject property remaining mostly vacant wooded land.

In summary, this assessment has revealed no evidence of RECs in connection with the subject property.

PROPERTY ACQUISITION INFORMATION
PART I

1. Project Number: 9579
2. County: Horry
3. Description of Property: 204 University Boulevard, Conway, SC
4. Grantor(s) Name and Address:

Conway Hospital, Inc.
300 Singleton Ridge Road
Conway, SC 29526
5. Grantee(s) Name and Address:

Coastal Carolina University
PO Box 261954
Conway, SC 29528-6054
6. County Location: Horry County, South Carolina
7. Acreage: 2.58 (not included in sale)
8. Purpose for Acquisition: To provide office and medical care space for Student Health Services and Student Counseling Departments.
9. Demonstrate the need to acquire the property: Property provides much needed office and medical care space for the University's Student Health Services and Student Counseling Departments. The building is located on the main campus and is convenient to the University's student housing.
10. Purchase Price: \$803,772.52
11. Current Year Property Tax Amount: \$332.22

PART II

1. How many sites were evaluated? One
2. Please list the selection criteria used to evaluate sites: Office space to include medical examination rooms, lobby space, nurse's station, etc.
3. How was the final selection of the site made? University currently leases this property which meets the needs of the departments housed there and it is conveniently located on the University's main campus.
4. Why was this specific site selected? It is convenient to student housing on the University's main campus.
5. What is the estimated cost of any construction or renovations to be done on the property and the anticipated source of funds for such work? None
6. What are the estimated additional annual operating costs which will result from acquisition of the property and the anticipated source of funds? Explain the factors that determine the cost. If no costs, explain why not. None, University currently leases and maintains the property and operating costs are already covered in University's current budget. University will experience a \$73,450/year lease savings.
7. What are the estimated additional annual operating costs which will result from construction/renovation on the property and the anticipated source of funds? Explain the factors that determine the costs. If no costs, explain why not. None. No construction or renovation is planned for this facility.

(b) Coastal Carolina University
Horry County
H17-9586

List of Supporting Documents:

1. Letter from Agency
2. Map
3. Environmental Results
4. Cost Implications



Vice President
for Finance and Administration

June 13, 2011

Ms. Carol Routh
Assistant Director, Office of State Budget
1205 Pendleton Street
Edgar A. Brown Building, Suite 529
Columbia, SC 29201

Dear Carol:

Please accept this letter as a request for State Budget and Control Board approval for the donation of 14.75 acres of land to the University from the Coastal Educational Foundation. This property is needed for construction of a 630+ space parking lot, construction of the University's Public Safety Facility, and includes the land for the Student Health Services building that the University is in process of purchasing.

Thank you for your assistance in this regard.

Sincerely,

A handwritten signature in cursive script, reading "Stacie A. Bowie".

Stacie A. Bowie
Vice President for Finance & Administration

NOTE: THIS MAP IS A REPRODUCTION OF A RECORDED DOCUMENT AND IS NOT A SURVEY.

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SUMMARY

S&ME, Inc. has completed a Phase I Environmental Site Assessment (ESA) on a parcel of land totaling approximately 15.6 acres, located south of and adjacent to University Boulevard in Conway (Horry County), South Carolina. The Horry County GIS website identifies the subject property as Horry County Tax Map Numbers (TMS) 151-00-01-099 and 151-00-01-021. This summary is intended as an overview of the Phase I ESA for the convenience of the reader. The complete report must be reviewed in its entirety prior to making decisions regarding this site.

The purpose of this Phase I ESA was to identify, to the extent feasible pursuant to ASTM E 1527-05, Recognized Environmental Conditions (RECs) in connection with the site. The ASTM Standard Practice E 1527-05 defines "good commercial and customary practice for conducting an environmental site assessment of a parcel of commercial real estate with respect to the range of contaminants within the scope of the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) and to petroleum products". This practice is intended to permit a user to satisfy one of the requirements to qualify for the "innocent landowner, contiguous property owner, or bona fide prospective purchaser limitations to CERCLA liability."

On May 31, 2011, Mrs. Dawn Schoolcraft, an environmental technologist with S&ME, under the guidance of Thomas Still, P.E., an environmental professional, conducted a site reconnaissance to evaluate the subject property for drainage patterns, vegetation patterns, stains, discoloration, surrounding land use, and other visual aspects suggestive of the presence of recognized environmental conditions. The northeastern portion of the property is developed with the Coastal Carolina University (CCU) Student Health Center with the remainder of the property remaining wooded undeveloped land. A lift station is located in the east corner of the property. Bill Baxley Hall and Wheelwright Auditorium are located to the north of the subject property. Residential dwellings and a portion of Quail Creek Golf Course are located to the south. Several Horry-Georgetown Technical College Maintenance facilities are located to the east with undeveloped wooded land and Lacey Chapel to the west.

S&ME contracted Environmental Data Resources (EDR) to prepare a Field Check™ Radius Report compiling federal and state environmental database information. S&ME also viewed historical aerial photographs to determine past uses of the subject site and its adjacent properties. Interviews with the current property owner and with the local fire department were also conducted to further determine the environmental status of the subject site. This process revealed that the northeastern portion of the subject property has historically been used by the Grand Strand Water & Sewer Authority (GSW&SA) as a sewage treatment facility utilized by the Horry-Georgetown Technical College for sewage disposal/treatment until approximately the early 1990's. The CCU Student Health Center was constructed between 1994 and 2005. The remainder of the subject property remaining mostly vacant wooded land.

In summary, this assessment has revealed no evidence of RECs in connection with the subject property.

PROPERTY ACQUISITION INFORMATION FORMAT
PART I

1. Project Number: 9586
2. County: Horry
3. Description of Property: 14.75 acres known as Parcel 29, part of TMS #151-00-01-099 and TMS #151-00-01-021, land is adjacent to University Boulevard and Quail Creek Golf Course.
4. Grantor(s) Name and Address: Coastal Educational Foundation, PO Box 261954, Conway, SC 29528-6054
5. Grantee(s) Name and Address: Coastal Carolina University, PO Box 261954, Conway, SC 29528-6054
6. County Location: Horry County, South Carolina
7. Acreage: 14.75 acres
8. Purpose for Acquisition: For construction of 630+ space parking lot, also to provide site for construction of Public Safety Facility and includes property for Student Health Services building which University is in process of purchasing.
9. Demonstrate the need to acquire the property: Property is needed for two construction sites and for University to own both Student Health Services building and property it sits on.
10. Purchase Price: None - Donation
11. Current Year Property Tax Amount: \$0.00

PART II

1. How many sites were evaluated? One
2. Please list the selection criteria used to evaluate sites. Need land to provide for construction of parking lot in close proximity to main campus.
3. How was the final selection of the site made? Acquisition meets several needs of the University including construction sites and purchase of a facility.
4. Why was this specific site selected? Close proximity to main campus and University is also purchasing building located on this property.
5. What are the estimated costs of any construction or renovations to be done on the property and the anticipated source of funds for such work? See A-1's for Projects #9579 Student Health Services Acquisition (\$824,000 – One Cent Sales Tax), #9574 Public Safety Facility Construction (\$1,640,000 – Renovation Reserve/Plant Expansion). Also, the parking lot construction is estimated at \$1,400,000 as part of Phase I Design for Parking/Pedway Construction project approved by B&CB on 6/14/11. Source of funds includes Parking

Operations, Renovation Reserve/Plant Expansion and One Cent Sales Tax.

6. What are the estimated additional annual operating costs which will result from acquisition of the property and the anticipated source of funds? Explain the factors that determine the cost. If no costs, explain why not. None from acquisition – developed areas of property are already maintained by University.
7. What are the estimated additional annual operating costs which will result from construction/renovation on the property and the anticipated source of funds? Explain the factors that determine the costs. If no costs, explain why not.
Public Safety Facility Construction (9574) = \$19,800/year – Operating Budget, includes utilities, custodial care and supplies.
Student Health Services Building Acquisition (9579) = None, University already maintains this facility.
630+ Space Parking Lot Construction = \$10,560/year – Operating Budget – includes utilities, grounds maintenance.

B&CB Form

STATE BUDGET AND CONTROL BOARD

REGULAR SESSION

MEETING OF August 9, 2011

ITEM NUMBER 5

AGENCY: Division of General Services

SUBJECT: Commission on Higher Education Lease at 1122 Lady Street in Columbia

The South Carolina Commission on Higher Education (CHE) requests approval to sublease from NBSC, a division of Synovus Bank (NBSC) 23,461 square feet, comprising a portion of the 2nd floor and the entire 3rd floor, at the NBSC Building located at 1122 Lady Street in Columbia. The proposed leased space is a portion of space leased to NBSC by C&K Carolina LLC, a Delaware limited liability company (Owner).

Presently, CHE leases 23,417 square feet at 1333 Main Street at an annual cost of \$366,204.75 under a lease expiring August 30, 2011. Additionally, the lease is subject to annual increases in operating expenses, which amount was \$19,213.67 last year. The total annual cost of CHE's current lease, including operating expense increases, is \$385,418.42 (\$16.46 per square foot).

The new lease was negotiated after vacant state space options were considered, state agencies were contacted to verify no adequate state space was available, and a commercial lease solicitation was issued. The lease term will be eight years ten months commencing September 1, 2011 and ending June 30, 2020, the expiration of the lease between NBSC and the Owner. Rent will be \$21,666.67 per month or \$260,000.04 per year (\$11.08 per square foot rounded) for the first three years of the lease; thereafter, rent increases to \$11.51 per square foot (rounded) for years four through six, and to \$11.93 per square foot (rounded) beginning in year seven through the end of the term. In addition to rent, beginning at the end of the second year, CHE will additionally be responsible for cumulative annual increases in operating costs, which increases are to be based on 20,000 square feet and capped at three percent per year.

NBSC will make all renovations to the leased space up to \$75,000. In addition, NBSC is providing a leasing incentive of six months free rent (\$130,000.02). Moving costs to relocate to 1122 Lady Street are estimated to total \$95,000. The proposed lease will save CHE an estimated \$963,000 over the term compared with its current lease and \$215,450 over the term compared with the proposal for a new lease at its current location. NBSC will provide 20 parking spaces in the attached underground garage at a cost of \$42 per parking space monthly. CHE will continue to have its employees reimburse the entire cost of parking. Additional parking for employees is available at various rates in multiple garages within one block.

AGENCY: Division of General Services

SUBJECT: Commission on Higher Education Lease at 1122 Lady Street in Columbia

The maximum rent over the term of the lease, assuming operating expenses increase at three percent per year beginning at the end of the second year, is as follows:

Year	Rent	Annual Rent Rate/SF	Operating Expense Increases (estimated)	Total Cost (estimated)	Total Annual Cost/SF
1	\$ 130,000.02	\$ 5.54	\$ 0.00	\$ 130,000.02	\$ 5.54
2	\$ 260,000.04	\$11.08	\$ 3,846.96	\$ 263,847.00	\$11.25
3	\$ 260,000.04	\$11.08	\$ 7,862.96	\$ 267,863.00	\$11.42
4	\$ 270,000.00	\$11.51	\$12,088.00	\$ 282,088.00	\$12.02
5	\$ 270,000.00	\$11.51	\$16,349.00	\$ 286,349.00	\$12.21
6	\$ 270,000.00	\$11.51	\$20,738.00	\$ 290,738.00	\$12.39
7	\$ 279,996.00	\$11.93	\$25,115.00	\$ 305,111.00	\$13.01
8	\$ 279,996.00	\$11.93	\$29,771.00	\$ 309,767.00	\$13.20
9 (10 months)	\$ 233,333.30	\$9.95	\$28,802.70	\$ 262,136.00	\$11.17
Term Total	\$2,253,325.40			\$2,397,899.02	
Term Average	\$ 250,369.49	\$10.67		\$ 266,433.22	\$11.36

Comparables of similar state agency office space leased in Downtown Columbia are as follows:

Lease Date	Agency/Location	Rate/SF
7/10	Budget and Control Board, 1201 Main Street	\$12.86
6/09	Workers Compensation Commission, 1333 Main Street	\$14.25
9/08	Office of Regulatory Staff, 1401 Main Street	\$13.54

AGENCY: Division of General Services

SUBJECT: Commission on Higher Education Lease at 1122 Lady Street in Columbia

CHE has adequate funds for the lease according to a Budget Approval Form dated July 26, 2011, which also includes a multi-year plan. The space allocation of the new lease is 524 square feet for each of the 43 employees to be housed at 1122 Lady Street. This includes all office space for employees as well as visiting commission members, conference rooms, library, training rooms, reception areas, copy/fax area, storage, file cabinets, work areas, break room/kitchenette area, computer server room and common areas.

No option to purchase the property is included in the lease. 1122 Lady Street was constructed in 1970. An environmental assessment dated April 7, 2006 recommends no further assessment is necessary. The lease was approved by Dr. Garrison Walters, Executive Director of the Commission on Higher Education, by Byron Coffin, Director of Regional Finance for NBSC, a division of Synovus Bank, and by Kevin Collins, Chief Financial Officer for Owner. The lease was approved by the Joint Bond Review Committee at its August 2, 2011 meeting.

BOARD ACTION REQUESTED:

Approve the proposed eight year ten month lease for the Commission on Higher Education at 1122 Lady Street in Columbia.

ATTACHMENTS:

Agenda item worksheet; Letter from the Commission on Higher Education dated July 28, 2011; SC Code of Laws Sections 1-11-55 and 1-11-56

BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET

Meeting Scheduled for: August 9, 2011

Regular Agenda

1. Submitted by:

- (a) Agency: Division of General Services
- (b) Authorized Official Signature:


Carla Griffin, Deputy Director

2. Subject: Commission on Higher Education Lease at 1122 Lady Street in Columbia

3. Summary Background Information:

The South Carolina Commission on Higher Education (CHE) requests approval to sublease from NBSC, a division of Synovus Bank (NBSC) 23,461 square feet, comprising a portion of the 2nd floor and the entire 3rd floor, at the NBSC Building located at 1122 Lady Street in Columbia. The proposed leased space is a portion of space leased to NBSC by C&K Carolina LLC, a Delaware limited liability company (Owner).

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The maximum rent over the term of the lease, assuming operating expenses increase at three percent per year beginning at the end of the second year, is as follows:

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Comparables of similar state agency office space leased in Downtown Columbia are as follows:

Lease Date	Agency/Location	Rate/SF
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6/09	Workers Compensation Commission, 1333 Main Street	\$14.25
9/08	Office of Regulatory Staff, 1401 Main Street	\$13.54

CHE has adequate funds for the lease according to a Budget Approval Form dated July 26, 2011, which also includes a multi-year plan. The space allocation of the new lease is 524 square feet for each of the 43 employees to be housed at 1122 Lady Street. This includes all office space for employees as well as visiting commission members, conference rooms, library, training rooms, reception areas, copy/fax area, storage, file cabinets, work areas, break room/kitchenette area, computer server room and common areas.

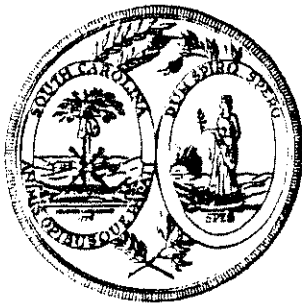
No option to purchase the property is included in the lease. 1122 Lady Street was constructed in 1970. An environmental assessment dated April 7, 2006 recommends no further assessment is necessary. The lease was approved by Dr. Garrison Walters, Executive Director of the Commission on Higher Education, by Byron Coffin, Director of Regional Finance for NBSC, a division of Synovus Bank, and by Kevin Collins, Chief Financial Officer for Owner. The lease was approved by the Joint Bond Review Committee at its August 2, 2011 meeting.

4. **What is the Board asked to do?** Approve the proposed eight year ten month lease for the Commission on Higher Education at 1122 Lady Street in Columbia.

5. **What is recommendation of the Division of General Services?** Approval of the proposed eight year ten month lease for the Commission on Higher Education at 1122 Lady Street in Columbia.

6. **List of Supporting Documents:**

- (a) Letter from the Commission on Higher Education dated July 28, 2011
- (b) SC Code of Laws Sections 1-11-55 and 1-11-56



South Carolina Commission on Higher Education

Mr. Kenneth B. Wingate, Chair
Dr. Bettie Rose Horne, Vice Chair
Ms. Natasha M. Hanna
Ms. Elizabeth Jackson
Dr. Raghu Korrapati
Ms. Leah B. Moody
Vice Admiral Charles Munns, USN (ret.)
Mr. Kim F. Phillips
Mr. Y. W. Scarborough, III
Dr. Jennifer B. Settlemyer
Mr. Rodney A. Smolla
Mr. Guy C. Tarrant, CCM
Mr. Hood Temple
The Honorable Lewis R. Vaughn

Dr. Garrison Walters, Executive Director

July 28, 2011

Ms. Lisa H. Catalanotto, Esq.
South Carolina Budget and Control Board
Division of General Services
Real Property Services
1200 Senate St., Suite 460
Columbia, SC 29201

Re: Commission on Higher Education Lease at 1122 Lady Street, Columbia, SC

Dear Ms. Catalanotto,

The Commission on Higher Education has been leasing office space at the CBRE Building at 1333 Main Street in Columbia for over 26 years. The current lease expires August 30, 2011.

The Division of General Services, Real Property Services Office initiated a competitive solicitation for available space in March, 2011 in order to determine whether other suitable state or commercial office space alternatives were available that would achieve cost savings for the agency. The solicitation generated ten responses from the public and private sector. The Division of General Services then worked with the Commission to determine the most efficient space needs of the offices and negotiated a sublease in the NBSC Building at 1122 Lady Street that results in substantial cost savings over all proposals submitted as well as the current lease.

We have been very sensitive of the budget crisis facing our agency and the State as a whole in negotiating terms for this lease. Our primary goals have been to ensure our continued service to the citizens of South Carolina while at the same time achieving the best lease rate possible and most efficient space to accommodate current needs.

The proposed new sublease from the National Bank of South Carolina is to begin with an effective date of September 1, 2011, for a term of eight (8) years and ten (10) months ending June 30, 2020. The Division of General Services negotiated a lease rate of \$11.08 per square foot for the first three years of the sublease, \$11.51 for the second three years, and \$11.93 for the remainder of the lease. The landlord will also provide a leasing incentive of \$130,000 in year one (primarily to offset moving, telephone and IT requirements) and a \$75,000 allowance for carpet and minor renovations.

I respectfully request the approval of Joint Bond Review Committee and the Budget and Control Board for the proposed sublease at 1122 Lady St., Columbia, SC.

Very Truly Yours,

Garrison Walters

SECTION 1-11-55. Leasing of real property for governmental bodies.

(1) "Governmental body" means a state government department, commission, council, board, bureau, committee, institution, college, university, technical school, legislative body, agency, government corporation, or other establishment or official of the executive, judicial, or legislative branches of this State. Governmental body excludes the General Assembly, Legislative Council, the Office of Legislative Printing, Information and Technology Systems, and all local political subdivisions such as counties, municipalities, school districts, or public service or special purpose districts.

(2) The Budget and Control Board is hereby designated as the single central broker for the leasing of real property for governmental bodies. No governmental body shall enter into any lease agreement or renew any existing lease except in accordance with the provisions of this section.

(3) When any governmental body needs to acquire real property for its operations or any part thereof and state-owned property is not available, it shall notify the Office of General Services of its requirement on rental request forms prepared by the office. Such forms shall indicate the amount and location of space desired, the purpose for which it shall be used, the proposed date of occupancy and such other information as General Services may require. Upon receipt of any such request, General Services shall conduct an investigation of available rental space which would adequately meet the governmental body's requirements, including specific locations which may be suggested and preferred by the governmental body concerned. When suitable space has been located which the governmental body and the office agree meets necessary requirements and standards for state leasing as prescribed in procedures of the board as provided for in subsection (5) of this section, General Services shall give its written approval to the governmental body to enter into a lease agreement. All proposed lease renewals shall be submitted to General Services by the time specified by General Services.

(4) The board shall adopt procedures to be used for governmental bodies to apply for rental space, for acquiring leased space, and for leasing state-owned space to nonstate lessees.

(5) Any participant in a property transaction proposed to be entered who maintains that a procedure provided for in this section has not been properly followed, may request review of the transaction by the Director of the Office of General Services or his designee.

SECTION 1-11-56. Program to manage leasing; procedures.

The State Budget and Control Board, in an effort to ensure that funds authorized and appropriated for rent are used in the most efficient manner, is directed to develop a program to manage the leasing of all public and private space of state agencies. The board's regulations, upon General Assembly approval, shall include procedures for:

(1) assessing and evaluating agency needs, including the authority to require agency justification for any request to lease public or private space;

(2) establishing standards for the quality and quantity of space to be leased by a requesting agency;

(3) devising and requiring the use of a standard lease form (approved by the Attorney General) with provisions which assert and protect the state's prerogatives including, but not limited to, a right of cancellation in the event of:

(a) a nonappropriation for the renting agency,

(b) a dissolution of the agency, and

(c) the availability of public space in substitution for private space being leased by the agency;

(4) rejecting an agency's request for additional space or space at a specific location, or both;

(5) directing agencies to be located in public space, when available, before private space can be leased;

(6) requiring the agency to submit a multi-year financial plan for review by the board's budget office with copies sent to Ways and Means Committee and Senate Finance Committee, before any new lease for space is entered into; and requiring prior review by the Joint Bond Review Committee and the requirement of Budget and Control Board approval before the adoption of any new lease that commits more than one million dollars in a five-year period; and

(7) requiring prior review by the Joint Bond Review Committee and the requirement of Budget and Control Board approval before the adoption of any new lease that commits more than one million dollars in a five-year period.

**Lease Proposal Comparisons
Commission on Higher Education**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	
					Total Cost Including One-time Costs/ Savings	Avg Annual Cost / Sq Foot	Square Ft Over/(Under) Current Lease	Total Cost (Under) Current Lease	Total Cost (Under) Proposed Lease at Current Location
Commission on Higher Education	Square Feet	Moving/Setup Costs	One-time Savings	Total Cost over Lease Term⁽¹⁾	(2)+(3)+(4)	(9÷Term)/(11)			
1333 Main St (Current Location)Current Terms Extended	23,417	-	0	3,455,611	3,455,611	\$ 16.40	0	0	
Option 1 (1333 Main St)New Lease Proposal	20,420	-	0	2,708,349	2,708,349	\$ 14.74	(2,997)	(747,262)	
Option 2 (1122 Lady Street)	23,461	95,000	0	2,397,899	2,492,899	\$ 11.81	44	(962,712)	(215,450)
Total Cost over 8 Year 10 Month Lease period:									

Comparison of Lease Proposals
Commission on Higher Education

Auditor	Square Feet	Moving Costs	YEAR									Total	Grand Total	Avg Annual Cost/Sqft
			1	2	3	4	5	6	7	8	9			
1333 Main St (Current Location) Current														
Terms Extended	23,417	\$ 370,892	\$ 375,721	\$ 380,694	\$ 385,816	\$ 391,092	\$ 396,527	\$ 402,124	\$ 407,889	\$ 344,856	\$ 3,455,611	\$ 3,455,611	16.40	
Rate		\$ 15.84	\$ 16.04	\$ 16.26	\$ 16.48	\$ 16.70	\$ 16.93	\$ 17.17	\$ 17.42	\$ 14.73	(2)			
1333 Main St (Current Location New Lease Proposal) (Option 1)														
Rate	20,420	\$ 263,757	\$ 274,399	\$ 285,157	\$ 296,033	\$ 307,032	\$ 318,156	\$ 329,411	\$ 340,799	\$ 293,605	\$ 2,708,349	\$ 2,708,349	14.74	
Costs/(Savings) per Year Over Current Lease		\$ (107,135)	\$ (101,322)	\$ (95,537)	\$ (89,783)	\$ (84,060)	\$ (78,371)	\$ (72,713)	\$ (67,090)	\$ (51,251)	\$ (747,262)			
Cumulative Costs (Savings) Over Current Lease														
1122 Lady Street (Option 2)	23,461	\$ 95,000	\$ 130,000 (11)	\$ 263,847	\$ 267,863	\$ 282,088	\$ 286,349	\$ 290,738	\$ 305,111	\$ 309,767	\$ 262,136	\$ 2,397,899	\$ 2,492,899	11.81
Rate		\$ 5.54	\$ 11.25	\$ 11.42	\$ 12.02	\$ 12.21	\$ 12.39	\$ 13.01	\$ 13.20	\$ 11.17	(12)			
Costs/(Savings) per Year Over Current Lease		\$ (145,892)	\$ (111,874)	\$ (112,831)	\$ (103,728)	\$ (104,743)	\$ (105,789)	\$ (97,013)	\$ (98,122)	\$ (82,720)	\$ (962,712)			
Cumulative Costs (Savings) Over Current Lease														
Costs/(Savings) per Year Over Option 1		\$ (38,757)	\$ (10,552)	\$ (17,294)	\$ (13,945)	\$ (20,683)	\$ (27,418)	\$ (34,300)	\$ (31,032)	\$ (31,469)	\$ (215,450)			
Cumulative Costs (Savings) Over Option 1		\$ (38,757)	\$ (49,309)	\$ (66,603)	\$ (80,548)	\$ (101,231)	\$ (128,649)	\$ (152,949)	\$ (183,981)	\$ (215,450)				
(1) First year includes 6 months free rent														
(2) Last year of lease is 10 months. Rate per SF is based on 12 months.														

STATE BUDGET AND CONTROL BOARD
MEETING OF August 9, 2011

REGULAR SESSION
ITEM NUMBER 6

AGENCY: Division of General Services

SUBJECT: Department of Revenue Lease at 300 Outlet Pointe Boulevard in Columbia

The South Carolina Department of Revenue (DOR) requests approval to lease from Marketplace Development, LLC (Landlord) 158,988 square feet at Market Pointe Centre (formerly Outlet Pointe Mall) located at 300 Outlet Pointe Boulevard in Columbia. Landlord is a South Carolina limited liability company with its principal office in Columbia, South Carolina.

Presently, DOR leases 91,949 square feet at Market Pointe Centre under four leases at an annual cost of \$1,000,616.04 for FY 2012 plus electricity charges of approximately \$144,000 annually. Additionally, one lease is subject to annual increases in operating expenses, which amount was \$15,228 last year. Three leases at Market Pointe Centre expire June 30, 2014 and one lease expires May 31, 2014. DOR also occupies 100,079 square feet of state-owned space at the Columbia Mills Building in Columbia at an annual cost of \$1,028,699.64 plus additional and special utility costs of approximately \$310,460 annually. Collectively, DOR's projected annual cost for all occupied space in FY 2012 is approximately \$2,441,471.66 (\$12.71 per square foot average). The proposed lease at Market Pointe Center will allow DOR to consolidate its operations in Columbia at one location and realize an overall reduction in occupied space of 33,040 square feet.

The new lease was negotiated after a solicitation for space was issued. The lease term will be ten years with the commencement date estimated to be October 2012. Rent will be \$153,555.91 per month or \$1,842,670.92 per year (\$11.59 per square foot rounded) for the first year of the lease; thereafter, rent increases 2 percent per year (rounded) through the remainder of the term. DOR will obtain new cubicles from Prison Industries, which will supplement the cubicles DOR will move from Columbia Mills and those currently at Market Pointe Centre. The estimated cost of new cubicles is \$810,000, which amount DOR will have funded through the State Treasurer's Office Master Lease Program for a term of three years with interest accruing at a rate of 1.57% annually (\$22,399.74 total interest). In addition to rent, DOR will continue to be responsible for its electricity charges, estimated to cost \$255,971 annually. All other operating costs are included with rent and DOR is not responsible for any increases of such expenses.

Landlord will make all renovations to the leased space and will provide adequate surface parking adjacent to the building for all employees and visitors. As a leasing incentive, the landlord will forgive the balance owed by DOR of approximately \$52,000 for cubicles financed under leases currently in place at Market Pointe Centre. Moving costs to relocate from Columbia Mills to Market Pointe Centre are estimated to total \$440,000; however, DOR anticipates saving \$132,950 annually in security and office expenses as a result of consolidating locations. The proposed lease will save DOR an estimated \$4,240,833.26 over ten years. DOR plans to move out of Columbia Mills and into the additional space at Market Pointe in phases prior to the commencement date, which would result in additional savings.

AGENCY: Division of General Services

SUBJECT: Department of Revenue Lease at 300 Outlet Pointe Boulevard in Columbia

The maximum rent over the term of the lease with estimated electricity charges is as follows:

Year	Rent	Rent Rate/SF	Electricity (estimated)	Total Cost (estimated)	Total Cost/SF
1	\$ 1,842,670.92	\$ 11.59	\$255,971.00	\$ 2,098,641.92	\$ 13.20
2	\$ 1,879,238.16	\$ 11.82	\$255,971.00	\$ 2,135,209.16	\$ 13.43
3	\$ 1,917,395.28	\$ 12.06	\$255,971.00	\$ 2,173,366.28	\$ 13.67
4	\$ 1,955,552.24	\$ 12.30	\$255,971.00	\$ 2,211,523.24	\$ 13.91
5	\$ 1,995,299.40	\$ 12.55	\$255,971.00	\$ 2,251,270.40	\$ 14.16
6	\$ 2,035,046.40	\$ 12.80	\$255,971.00	\$ 2,291,017.40	\$ 14.41
7	\$ 2,076,383.28	\$ 13.06	\$255,971.00	\$ 2,332,354.28	\$ 14.67
8	\$ 2,117,720.16	\$ 13.32	\$255,971.00	\$ 2,373,691.16	\$ 14.93
9	\$ 2,160,646.92	\$ 13.59	\$255,971.00	\$ 2,416,617.92	\$ 15.20
10	\$ 2,203,573.68	\$ 13.86	\$255,971.00	\$ 2,459,544.68	\$ 15.47
Ten year total	\$20,183,526.44			\$22,743,236.44	
Ten year average	\$ 2,018,352.64	\$ 12.70		\$ 2,274,323.64	\$ 14.31

Comparables of similar state agency office space leased in the Columbia area are as follows:

Lease Date	Agency/Location	Rate
11/10	Vocational Rehabilitation, 1244 Boston Avenue, Cayce	\$12.86
9/08	Public Service Commission, 101 Executive Center Dr., Columbia	\$14.19
7/07	Health & Environmental Control, 8901 Farrow Road, Columbia	\$16.00

DOR has adequate funds for the lease according to a Budget Approval Form dated July 21, 2011, which also includes a multi-year plan. The space allocation of the new lease is 212 square feet for each of the 750 employees housed at Market Pointe Centre. This includes all office space, conference rooms, reception areas, copy/fax area, storage, file cabinets, work areas, break room/kitchenette areas, computer server room and common areas.

AGENCY: Division of General Services

SUBJECT: Department of Revenue Lease at 300 Outlet Pointe Boulevard in Columbia

No option to purchase the property is included in the lease. Market Pointe Centre was constructed in 1984. An environmental assessment dated January 6, 2000 recommends no further assessment is necessary. The lease was approved by James F. Etter, Director of the Department of Revenue, and by Alfred L. Saad, III on behalf of Landlord. The lease was approved by the Joint Bond Review Committee at its August 2, 2011 meeting contingent upon the Division of General Services obtaining rental agreements to backfill all space being vacated at the Columbia Mills Building by the Department of Revenue.

BOARD ACTION REQUESTED:

Approve the proposed ten year lease for the Department of Revenue at 300 Outlet Pointe Boulevard in Columbia.

ATTACHMENTS:

Agenda item worksheet; Letter from the Department of Revenue dated July 21, 2011; SC Code of Laws Sections 1-11-55 and 1-11-56

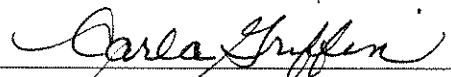
BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET

Meeting Scheduled for: August 9, 2011

Regular Agenda

1. Submitted by:

- (a) Agency: Division of General Services
- (b) Authorized Official Signature:


Carla Griffin, Deputy Director

2. Subject: Department of Revenue Lease at 300 Outlet Pointe Boulevard in Columbia

3. Summary Background Information:

The South Carolina Department of Revenue (DOR) requests approval to lease from Marketplace Development, LLC (Landlord) 158,988 square feet at Market Pointe Centre (formerly Outlet Pointe Mall) located at 300 Outlet Pointe Boulevard in Columbia. Landlord is a South Carolina limited liability company with its principal office in Columbia, South Carolina.

Presently, DOR leases 91,949 square feet at Market Pointe Centre under four leases at an annual cost of \$1,000,616.04 for FY 2012 plus electricity charges of approximately \$144,000 annually. Additionally, one lease is subject to annual increases in operating expenses, which amount was \$15,228 last year. Three leases at Market Pointe Centre expire June 30, 2014 and one lease expires May 31, 2014. DOR also occupies 100,079 square feet of state-owned space at the Columbia Mills Building in Columbia at an annual cost of \$1,028,699.64 plus additional and special utility costs of approximately \$310,460 annually. Collectively, DOR's projected annual cost for all occupied space in FY 2012 is approximately \$2,441,471.66 (\$12.71 per square foot average). The proposed lease at Market Pointe Center will allow DOR to consolidate its operations in Columbia at one location and realize an overall reduction in occupied space of 33,040 square feet.

The new lease was negotiated after a solicitation for space was issued. The lease term will be ten years with the commencement date estimated to be October 2012. Rent will be \$153,555.91 per month or \$1,842,670.92 per year (\$11.59 per square foot rounded) for the first year of the lease; thereafter, rent increases 2 percent per year (rounded) through the remainder of the term. DOR will obtain new cubicles from Prison Industries, which will supplement the cubicles DOR will move from Columbia Mills and those currently at Market Pointe Centre. The estimated cost of new cubicles is \$810,000, which amount DOR will have funded through the State Treasurer's Office Master Lease Program for a term of three years with interest accruing at a rate of 1.57% annually (\$22,399.74 total interest). In addition to rent, DOR will continue to be responsible for its electricity charges, estimated to cost \$255,971 annually. All other operating costs are included with rent and DOR is not responsible for any increases of such expenses.

Landlord will make all renovations to the leased space and will provide adequate surface parking adjacent to the building for all employees and visitors. As a leasing incentive, the landlord will forgive the balance owed by DOR of approximately \$52,000 for cubicles financed under leases currently in place at Market Pointe Centre. Moving costs to relocate from Columbia Mills to Market Pointe Centre are estimated to total \$440,000; however, DOR anticipates saving \$132,950 annually in security and office expenses as a result of consolidating locations. The proposed lease will save DOR an estimated \$4,240,833.26 over ten years. DOR plans to move out of Columbia Mills and into the additional space at Market Pointe in phases prior to the commencement date, which would result in additional savings.

The maximum rent over the term of the lease with estimated electricity charges is as follows:

Year	Rent	Rent Rate/SF	Electricity (estimated)	Total Cost (estimated)	Total Cost/SF
1	\$ 1,842,670.92	\$ 11.59	\$255,971.00	\$ 2,098,641.92	\$ 13.20
2	\$ 1,879,238.16	\$ 11.82	\$255,971.00	\$ 2,135,209.16	\$ 13.43
3	\$ 1,917,395.28	\$ 12.06	\$255,971.00	\$ 2,173,366.28	\$ 13.67
4	\$ 1,955,552.24	\$ 12.30	\$255,971.00	\$ 2,211,523.24	\$ 13.91
5	\$ 1,995,299.40	\$ 12.55	\$255,971.00	\$ 2,251,270.40	\$ 14.16
6	\$ 2,035,046.40	\$ 12.80	\$255,971.00	\$ 2,291,017.40	\$ 14.41
7	\$ 2,076,383.28	\$ 13.06	\$255,971.00	\$ 2,332,354.28	\$ 14.67
8	\$ 2,117,720.16	\$ 13.32	\$255,971.00	\$ 2,373,691.16	\$ 14.93
9	\$ 2,160,646.92	\$ 13.59	\$255,971.00	\$ 2,416,617.92	\$ 15.20
10	\$ 2,203,573.68	\$ 13.86	\$255,971.00	\$ 2,459,544.68	\$ 15.47
Ten year total	\$20,183,526.44			\$22,743,236.44	
Ten year average	\$ 2,018,352.64	\$ 12.70		\$ 2,274,323.64	\$ 14.31

Comparables of similar state agency office space leased in the Columbia area are as follows:

Lease Date	Agency/Location	Rate
11/10	Vocational Rehabilitation, 1244 Boston Avenue, Cayce	\$12.86
9/08	Public Service Commission, 101 Executive Center Dr., Columbia	\$14.19
7/07	Health & Environmental Control, 8901 Farrow Road, Columbia	\$16.00

DOR has adequate funds for the lease according to a Budget Approval Form dated July 21, 2011, which also includes a multi-year plan. The space allocation of the new lease is 212 square feet for each of the 750 employees housed at Market Pointe Centre. This includes all office space, conference rooms, reception areas, copy/fax area, storage, file cabinets, work areas, break room/kitchenette areas, computer server room and common areas.

No option to purchase the property is included in the lease. Market Pointe Centre was constructed in 1984. An environmental assessment dated January 6, 2000 recommends no further assessment is necessary. The lease was approved by James F. Etter, Director of the Department of Revenue, and by Alfred L. Saad, III on behalf of Landlord. The lease was approved by the Joint Bond Review Committee at its August 2, 2011 meeting contingent upon the Division of General Services obtaining rental agreements to backfill all space being vacated at the Columbia Mills Building by the Department of Revenue.

-
- 4. What is the Board asked to do?** Approve the proposed ten year lease for the Department of Revenue at 300 Outlet Pointe Boulevard in Columbia.
-

- 5. What is the recommendation of the Division of General Services?** Approval of the proposed ten year lease for the Department of Revenue at 300 Outlet Pointe Boulevard in Columbia.
-

6. List of Supporting Documents:

- (a) Letter from the Department of Revenue dated July 21, 2011
- (b) SC Code of Laws Sections 1-11-55 and 1-11-56

State of South Carolina
Department of Revenue

NIKKI R. HALEY
Governor



JAMES F. ETTER
Director

301 GERVAIS STREET
POST OFFICE BOX 125
COLUMBIA, SOUTH CAROLINA 29214
Telephone: (803) 898-5040
Facsimile: (803) 898-5020
director@sctax.org

July 21, 2011

Re: Dept. of Revenue Market Pointe Lease

Dear Members of the Joint Bond Review Committee and Members of the Budget and Control Board:

The South Carolina Department of Revenue is requesting approval of a 10-year lease for the move of our DOR offices located in downtown Columbia to the Market Pointe location on Bush River Road and I-20.

DOR currently has the Office Operations Division and a portion of the Field Services Division located at this site. As proposed in the lease, the move of the downtown employees to the Bush River Road location allows the agency to have all processing, administrative, audit and collection functions along with the technical support team in one location.

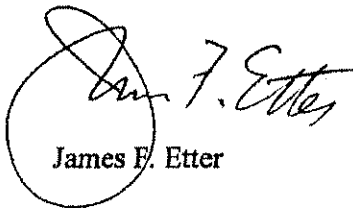
The 10-year lease will generate savings for both the state and the agency in direct rent, travel and salary. Benefits to the agency include elimination of the travel for staff between the Bush River Road and The Columbia Mill's offices on a daily basis. The single floor facility at Market Pointe promotes more efficient workflows for collecting, processing and auditing of tax returns. In addition, the total square footage rented will be reduced by approximately 33,000 square feet and will generate savings of \$367,845 in the first year of

the lease and an estimated \$4,240,833 over 10 years. The other state agencies that plan to move into our vacated space will generate additional savings for the state and their agencies.

Located on Bush River Road, the Market Pointe building is convenient to both I-20 and I-26 and is only minutes from downtown Columbia. Taxpayers will have easy access to this location from all areas of the state.

Approval of this lease as soon as possible is essential for a smooth transition of the other state agencies impacted as well as the existing tenants at Market Pointe that will have to relocate before the department can begin its necessary remodeling efforts.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "James F. Etter", is written over a circular stamp. The signature is fluid and cursive.

James F. Etter

SECTION 1-11-55. Leasing of real property for governmental bodies.

- (1) "Governmental body" means a state government department, commission, council, board, bureau, committee, institution, college, university, technical school, legislative body, agency, government corporation, or other establishment or official of the executive, judicial, or legislative branches of this State. Governmental body excludes the General Assembly, Legislative Council, the Office of Legislative Printing, Information and Technology Systems, and all local political subdivisions such as counties, municipalities, school districts, or public service or special purpose districts.
- (2) The Budget and Control Board is hereby designated as the single central broker for the leasing of real property for governmental bodies. No governmental body shall enter into any lease agreement or renew any existing lease except in accordance with the provisions of this section.
- (3) When any governmental body needs to acquire real property for its operations or any part thereof and state-owned property is not available, it shall notify the Office of General Services of its requirement on rental request forms prepared by the office. Such forms shall indicate the amount and location of space desired, the purpose for which it shall be used, the proposed date of occupancy and such other information as General Services may require. Upon receipt of any such request, General Services shall conduct an investigation of available rental space which would adequately meet the governmental body's requirements, including specific locations which may be suggested and preferred by the governmental body concerned. When suitable space has been located which the governmental body and the office agree meets necessary requirements and standards for state leasing as prescribed in procedures of the board as provided for in subsection (5) of this section, General Services shall give its written approval to the governmental body to enter into a lease agreement. All proposed lease renewals shall be submitted to General Services by the time specified by General Services.
- (4) The board shall adopt procedures to be used for governmental bodies to apply for rental space, for acquiring leased space, and for leasing state-owned space to nonstate lessees.
- (5) Any participant in a property transaction proposed to be entered who maintains that a procedure provided for in this section has not been properly followed, may request review of the transaction by the Director of the Office of General Services or his designee.

SECTION 1-11-56. Program to manage leasing; procedures.

The State Budget and Control Board, in an effort to ensure that funds authorized and appropriated for rent are used in the most efficient manner, is directed to develop a program to manage the leasing of all public and private space of state agencies. The board's regulations, upon General Assembly approval, shall include procedures for:

- (1) assessing and evaluating agency needs, including the authority to require agency justification for any request to lease public or private space;
- (2) establishing standards for the quality and quantity of space to be leased by a requesting agency;
- (3) devising and requiring the use of a standard lease form (approved by the Attorney General) with provisions which assert and protect the state's prerogatives including, but not limited to, a right of cancellation in the event of:
 - (a) a nonappropriation for the renting agency,
 - (b) a dissolution of the agency, and
 - (c) the availability of public space in substitution for private space being leased by the agency;
- (4) rejecting an agency's request for additional space or space at a specific location, or both;
- (5) directing agencies to be located in public space, when available, before private space can be leased;
- (6) requiring the agency to submit a multi-year financial plan for review by the board's budget office with copies sent to Ways and Means Committee and Senate Finance Committee, before any new lease for space is entered into; and requiring prior review by the Joint Bond Review Committee and the requirement of Budget and Control Board approval before the adoption of any new lease that commits more than one million dollars in a five-year period; and
- (7) requiring prior review by the Joint Bond Review Committee and the requirement of Budget and Control Board approval before the adoption of any new lease that commits more than one million dollars in a five-year period.

STATE BUDGET AND CONTROL BOARD
MEETING OF August 9, 2011

REGULAR SESSION
ITEM NUMBER 7

AGENCY: Division of General Services

SUBJECT: State Ports Authority Conveyance of 317.51± Acres in Port Royal to Port Royal Redevelopment Group, LLC

The SC Code of Laws Section 54-3-700 requires certain actions concerning the State Ports Authority (SPA) and its marine terminal at Port Royal consisting of 51.6 acres of highland and 265 acres of marshlands. In addition to the cessation of marine operations, the statute directs the SPA to sell its real and personal property in Port Royal in a “manner that is financially responsible and advantageous to the State Ports Authority.” Since the property was not sold by December 31, 2009, the property was transferred to the Budget and Control Board (B&CB) for sale. The B&CB is vested with all of the SPA’s fiduciary duties to the SPA and SPA bondholders. The sale proceeds are to be retained by the SPA unless, upon petition by the Town of Port Royal, the B&CB allocates up to five percent of the funds to pay for infrastructure needs directly associated with and necessitated by the closing and sale of the terminal. At its meeting on December 15, 2009, the B&CB authorized the SPA and its staff to serve as agents of the B&CB and to work with the Division of General Services to continue the effort to market the Port Royal property, effective December 31, 2009.

The properties were put out for bid by the SPA in 2007 and one bidder met the minimum criteria. A contract was negotiated, approved by the B&CB and executed by the SPA; however a closing of the sale failed to occur. In March 2008, following the failed sale, the property was placed with NAI Avant to market and sell. Since that time, NAI Avant’s national marketing efforts have resulted in two negotiated contracts. The first contract was approved by the B&CB at its September 29, 2010 meeting, but ultimately failed to close. The present contract negotiated with the SPA is with Port Royal Redevelopment Group, LLC (Buyer), a South Carolina limited liability company. Buyer’s lender has issued a loan commitment letter to Buyer for the purchase of the property, and the SPA is satisfied that Buyer is a qualified purchaser financially able to complete the purchase.

The contract with Buyer is for the sale of approximately 51.44 acres of highland and approximately 265.91 acres of marshlands for a price of \$17,000,000 to be paid in full at closing. The remaining 0.16 acre consists of an outparcel on which a title defect was discovered and the SPA is trying to obtain clear title. If the SPA obtains clear title, the outparcel will also be conveyed to Buyer as part of the consideration to be paid under the contract. The closing on the remaining property will proceed, however, should the SPA become unable to obtain clear title to the outparcel. If the SPA cannot transfer clear title to the outparcel within ninety days following the closing on the majority of the property, Buyer will be refunded a sum of \$50,000.

Buyer has deposited \$50,000 earnest money, and an additional \$150,000 will be deposited if the approval to sell the property under the terms of the current contract is granted by the Budget and Control Board. The earnest money is refundable to Buyer if the property is deemed not suitable

AGENCY: Division of General Services

SUBJECT: State Ports Authority Conveyance of 317.51± Acres in Port Royal to Port Royal Redevelopment Group, LLC

at Buyer's discretion during a ninety (90) day inspection period following the approval of the B&CB and execution of the contract by the SPA and Buyer. Buyer may extend the inspection period thirty (30) days for an additional sum of \$75,000. The earnest money is non-refundable after the inspection period and will be applied towards the total purchase price.

A commission of 2.5% of the sales price (\$425,000) will be paid by the SPA to NAI Avant at closing. Buyer has committed to include a 9.8 acre waterfront park on the property as part of its redevelopment plan. The State Ports Authority Board approved the contract for sale at its July 19, 2011 meeting and requests the approval of the Budget and Control Board.

By Summons and Complaint served on July 6, 2010, the SPA initiated an action against the State seeking a declaratory judgment from the court that the SPA has the sole power to transfer the marshlands to a private party as a part of the sale of the property under the previous failed contract and "...declaring that the State is forever barred from any claim to ownership of the marshlands and declaring that any clouds on the marshlands associated with any claim of right of the State to ownership of the marshlands is forever removed. The SPA stopped actively pursuing the litigation when the contract fell through. Under the current contract, the SPA will convey the marshlands by quitclaim deed only, conveying all interest the SPA has, if any, in the marshlands. After the closing on the property takes place with Buyer, the SPA will request that the litigation be dismissed.

BOARD ACTION REQUESTED:

Consider the request of the State Ports Authority to approve the contract for sale between the State Ports Authority and Port Royal Redevelopment Group, LLC for the sale of 317.51± acres in Port Royal for \$17,000,000.

ATTACHMENTS:

Agenda item worksheet; Letter from the State Ports Authority dated July 27, 2011; Resolution Authorizing Sale of Real Property from South Carolina State Ports Authority Board dated July 19, 2011; Maps; SC Code of Laws Section 54-3-700

BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET

Meeting Scheduled for: August 9, 2011

Regular Agenda

1. Submitted by:

- (a) Agency: Division of General Services
- (b) Authorized Official Signature:


Carla Griffin, Deputy Director

- 2. Subject:** State Ports Authority Conveyance of 317.51± Acres in Port Royal to Port Royal Redevelopment Group, LLC

3. Summary Background Information:

The SC Code of Laws Section 54-3-700 requires certain actions concerning the State Ports Authority (SPA) and its marine terminal at Port Royal consisting of 51.6 acres of highland and 265 acres of marshlands. In addition to the cessation of marine operations, the statute directs the SPA to sell its real and personal property in Port Royal in a "manner that is financially responsible and advantageous to the State Ports Authority." Since the property was not sold by December 31, 2009, the property was transferred to the Budget and Control Board (B&CB) for sale. The B&CB is vested with all of the SPA's fiduciary duties to the SPA and SPA bondholders. The sale proceeds are to be retained by the SPA unless, upon petition by the Town of Port Royal, the B&CB allocates up to five percent of the funds to pay for infrastructure needs directly associated with and necessitated by the closing and sale of the terminal. At its meeting on December 15, 2009, the B&CB authorized the SPA and its staff to serve as agents of the B&CB and to work with the Division of General Services to continue the effort to market the Port Royal property, effective December 31, 2009.

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Buyer has deposited \$50,000 earnest money, and an additional \$150,000 will be deposited if the approval to sell the property under the terms of the current contract is granted by the Budget and Control Board. The earnest money is refundable to Buyer if the property is deemed not suitable at Buyer's discretion during a ninety (90) day inspection period following the approval of the B&CB and execution of the contract by the SPA and Buyer. Buyer may extend the inspection period thirty (30) days for an additional sum of \$75,000. The earnest money is non-refundable after the

inspection period and will be applied towards the total purchase price.

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-
4. **What is the Board asked to do?** Approve the contract for sale between the State Ports Authority and Port Royal Redevelopment Group, LLC for the sale of 317.51± acres in Port Royal for \$17,000,000.
-

5. **What is recommendation of the Division of General Services?** Consider the request of the State Ports Authority to approve the contract for sale between the State Ports Authority and Port Royal Redevelopment Group, LLC for the sale of 317.51± acres in Port Royal for \$17,000,000.
-

6. **Supporting Documents:**

- (a) Letter from the State Ports Authority dated July 27, 2011
- (b) Resolution Authorizing Sale of Real Property from South Carolina State Ports Authority Board dated July 19, 2011
- (b) Maps
- (c) SC Code of Laws Section 54-3-700

South Carolina State **PORTS AUTHORITY**

Joseph H. Farrell, III
Assistant Legal Counsel

P.O. Box 22287
CHARLESTON, S.C. 29413-2287 USA
(843) 577-8765
FAX: (843) 577-8138

July 27, 2011

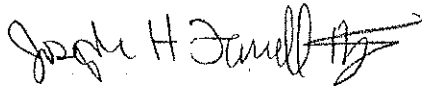
Ms. Eleanor Kitzman
Executive Director
S.C. Budget and Control Board
P.O. Box 12444
Columbia, SC 29211

RE: Sale of South Carolina State Ports Authority Property

Dear Ms. Kitzman,

Pursuant to S.C. Code Ann. §54-3-700 (1976, as amended), the South Carolina State Ports Authority ("SCSPA") respectfully requests State Budget and Control Board approval of the sale of SCSPA's Port Royal property for the price of Seventeen Million and 00/100 Dollars (\$17,000,000.00) as reflected in the attached "Resolution Authorizing Sale of Real Property (Port Royal Property)" adopted by the SCSPA's Board of Directors on July 19, 2011.

Yours very truly,



Joseph H. Farrell, III

JHF/mlh

Attachment

Cc: Neil Robinson, Jr., Esquire

;

RESOLUTION AUTHORIZING SALE OF REAL PROPERTY
(PORT ROYAL PROPERTY)

WHEREAS, the South Carolina State Ports Authority is created as an instrumentality of the State for the accomplishment of its purposes, which include development and improvement of the harbors and seaports of Charleston, Georgetown and Port Royal for the handling of water-borne commerce from and to any part of this State and other states and foreign countries, to acquire, equip, maintain, develop and improve such harbors and their facilities, and to foster and stimulate the shipment of freight and commerce through such ports; and

WHEREAS, among its powers, the Authority may rent, lease, buy, own, acquire, mortgage and dispose of such property, real or personal, as the Authority may deem proper to carry out its purposes and the provisions of 1942 Act 626 of the General Assembly, all or any of them; and

WHEREAS, Seller is the owner of certain real property in the Town of Port Royal, South Carolina, known generally as the Port Royal Property, and further described as approximately 51.6 Acres of highland and approximately 265 Acres of marsh at or near the South Carolina State Ports Authority Terminal, South of Ribaut Road, in the Town of Port Royal, and as particularly generally shown on a certain Plat prepared by Thomas and Hutton Engineering Co., dated December 20, 2006; and

WHEREAS, in 2004, the South Carolina General Assembly enacted 2004 Act No. 313, and as amended in 2009 Act No. 73, as codified in South Carolina Code of Laws Section 54-3-700, in which it was determined that operation of the marine terminal in Port Royal should cease,

and which directed the Authority to sell its property in Port Royal in a manner that is financially responsible and advantageous to the State Ports Authority; and

WHEREAS, the said property is no longer required for operation of the Authority port facilities; and

WHEREAS, the market value of the said property was recently determined by an appraisal obtained by the Authority on or about March 31, 2011, and prepared by a competent appraiser appointed by the Authority, who is further qualified as a State Certified General Real Estate Appraiser, and a Member of the Appraisal Institute (MAI), and who is knowledgeable in appraisal and in appraising marine terminal facilities; and

WHEREAS, in June 2007, the Authority issued a public solicitation for offers to purchase the said property, as is and where is, which solicitation has continued into calendar year 2011; and

WHEREAS, in response to the Authority's solicitation for offers, a proposed buyer has offered and agreed to pay to the Authority the sum of Seventeen Million and no/100 Dollars (\$17,000,000.00) for purchase of said real property, as is and where is, and has submitted and offered a written contract for the purchase and sale of said property for the price stated; and

WHEREAS, pursuant to South Carolina Code of Laws, 1976, as amended, Section 54-3-700, the sale of the Port Royal property under the proposed contract to purchase property must be duly approved by the South Carolina State Budget and Control Board; and

WHEREAS, on November 13, 1991, the South Carolina State Ports Authority (the "SPA") adopted a resolution entitled "A RESOLUTION PROVIDING FOR THE ISSUANCE, SALE AND SECURING OF SOUTH CAROLINA STATE PORTS AUTHORITY REVENUE BONDS, AND OTHER MATTERS RELATING THERETO (the "Bond Resolution"); and

WHEREAS, Article XI of the Bond Resolution imposes certain limitations upon the sale or disposal of the Port Facilities (as defined in the Bond Resolution); and

WHEREAS, Article XI of the Bond Resolution imposes specific requirements which must be met prior to the sale or other disposition of Real Property (as defined in the Bond Resolution); and

WHEREAS, the Authority issued certain Revenue Bonds which are still outstanding, none of which have any Event of Default, and whereby under the Revenue Bond Resolutions the Authority may sell or dispose of real property or rights in property upon the adoption of this resolution; and

WHEREAS, the Authority Board finds as follows:

- (1) The property to be sold is described as:

Approximately 51.6 Acres of highland and approximately 265 Acres of marsh at or near the South Carolina State Ports Authority Terminal, South of Ribaut Road, in the Town of Port Royal, and as shown on a certain Plat prepared by Thomas and Hutton Engineering Co., dated December 20, 2006; and

- (2) The Authority has determined the book value of the property, which is less than the appraised value of said property;
- (3) The Authority has determined the current market value of the property by competent appraiser appointed by the Authority;
- (4) The Authority has received an offer and a proposed contract to purchase the property for the sum of Seventeen Million and no/100 Dollars (\$17,000,000.00), which the Authority has determined is at or above the appraised value of the property;

NOW, THEREFORE, BE IT RESOLVED by the South Carolina State Ports Authority in meeting duly assembled:

1. The sale of the property pursuant to the proposed contract to purchase the property for the price of Seventeen Million and no/100 Dollars (\$17,000,000.00) is hereby approved, subject to review and approval by the State Budget and Control Board in accordance with law; and

2. The President and Chief Executive Officer and the Chief Financial Officer of the Authority, upon prior approval of sale by the State Budget and Control Board, are authorized to take all actions and to prepare and execute all contracts and documents necessary to sell the property for the sum of Seventeen Million and no/100Dollars (\$17,000,000.00) Dollars, and the President and Chief Executive Officer and Chief Financial Officer are further authorized to sign and deliver a deed or deeds for the above described property in consideration of payment of Seventeen Million and no/100 Dollars (\$17,000,000.00), pursuant to the terms of said proposed contract to purchase the property.

Adopted at the regular meeting of the South Carolina State Ports Authority held July 19, 2011.

WITNESS the hand and seal of the Secretary of the South Carolina State Ports Authority.

SOUTH CAROLINA STATE PORTS AUTHORITY

By: William H. Stern

William H. Stern, Chairman

CONNECT TO COMMERCIAL
NATURAL VIEW TO WATER
FROM PARIS AVE.
VIEW TO WATER FROM
SANDS BEACH ROAD

**HARBOUR MASTER
COTTAGE PARK**
-REAR LONDON AVE TO
-CREATE A WAY STOP
-BLOCK LINDEN TO DRY STACK
-STORAGE SHED

PORT ROYAL, PORT
RICHMOND, PORT

JUL 5 2011

STREETSCAPE

ACCELFARIN:
SINCE 1985,
PHARMARION'S COMMITMENT
TO SIGNIFICANT ACHIEVEMENT
IN PHARMACEUTICAL
PRESERVATION HAS BEEN
FOR PRODUCTION

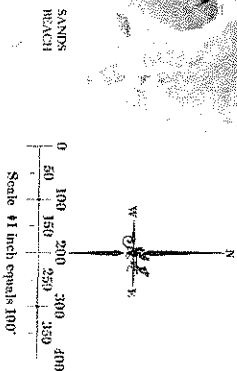
MUNICIPAL
PARK

PLAYGROUND
VOLLEYBALL
BEACH
FISHING
EXHIBITIVE WALKING
TRAIL W/ NATURE
CENTER
TRAIL W/ WATERSIDE
FOOTBALL FIELD
CAMPING

CONTACT FRANK TR
SAMS III AT 150M 11

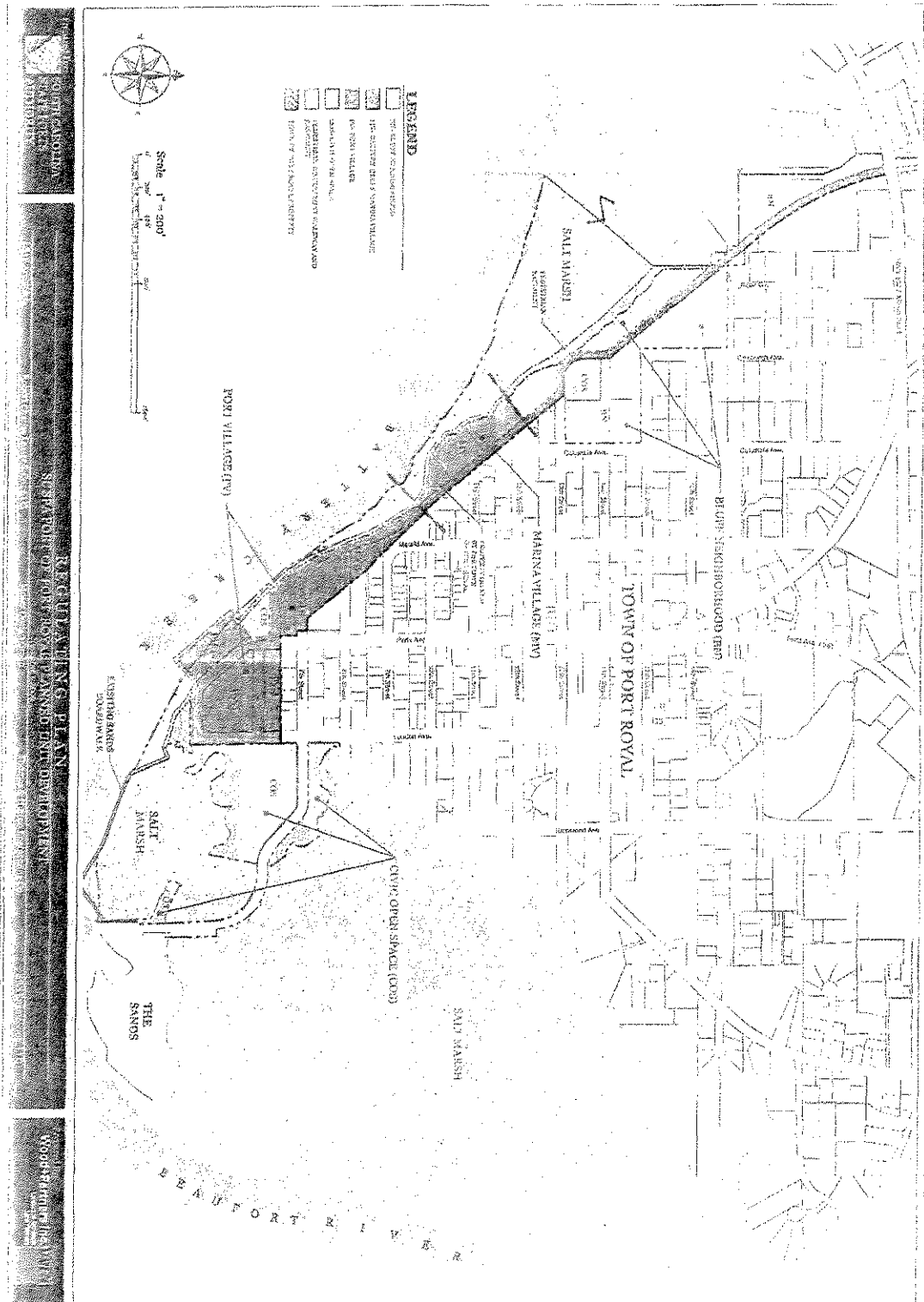
WATERFRONT
COMMERCIAL
VILLAGE

APRIL REUSE/REUSE
BUILDINGS
FARMERS MARKET
CINEMA PARK SPACE
WATERFRONT RECREATION
PEDESTRIAN
CONNECTION TO
EXISTING
BOARDWALK

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Witmer Jones, Jr.
Md.
1900

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SECTION 54-3-700. Cessation of marine terminal operations at Port Royal; sale of property.

(A) Upon the effective date of this section:

(1) the State Ports Authority has no statutory responsibility to operate a marine terminal at Port Royal; and

(2) marine operations at Port Royal shall cease as soon as practicable.

(B) The State Ports Authority is hereby directed to sell all its real and personal property at Port Royal upon the effective date of this section, but in a manner that is financially responsible and advantageous to the State Ports Authority.

(C)(1) The State Ports Authority, in its discretion, shall determine the manner of the sale, but in no event shall terms of the sale extend beyond December 31, 2009, except for parcels under long-term contract, in which case the South Carolina Ports Authority is directed to terminate these leases as soon as possible through "lease purchases", "buy outs", or other lawful means.

(2) The property must be transferred to the State Budget and Control Board for sale if the authority is unable to complete the sale by December 31, 2009. The State Budget and Control Board is vested with all of the board's fiduciary duties to the authority and the authority's bondholders if the property is transferred to the State Budget and Control Board for sale. The acceptance of any sales price by the State Budget and Control Board must be exercised with due regard to the fiduciary duty owed to the authority and for the protection of the interests of the authority's bondholders as set forth in its bond covenants, and otherwise according to law, including the conversion of a nonperforming asset into revenues in the most expeditious manner. The State Budget and Control Board may deduct from the proceeds of the sale an amount equal to the actual costs incurred in conjunction with the sale of the property. The balance of the proceeds must be transmitted to the authority.

(D) Any real or personal property at Port Royal which is to be sold must be first appraised and then sold at fair market value. The real property appraiser must be a State Certified General Real Estate Appraiser, a member of the Appraisal Institute (MAI), and must be knowledgeable in appraisal and in appraising marine terminal facilities. The appraisal of the real property should include its future development opportunities and those of the surrounding properties. The State Ports Authority Board of Directors shall exercise its lawful discretion in the acceptance of any sales price with due regard to its fiduciary duties to the authority and for the protection of the interests of the authority's bondholders as set forth in its bond covenants, and otherwise according to law, including conversion of a nonperforming asset into revenue in the most expeditious manner. The sale of the real property shall comply with all state procedures, must be approved by the State Budget and Control Board, and must be on an open-bid basis, and no bid may be accepted which is less than the property's fair market value as shown by the appraisal. All proceeds from the sale of real and personal property at Port Royal must be retained by the State Ports Authority; except that the Town of Port Royal may petition the State Budget and Control Board for a portion of the net proceeds from a sale and may be allocated a portion of these net proceeds in an amount not to exceed five percent of the net proceeds upon showing the allocation is necessary to pay for infrastructure needs directly associated with and necessitated by the closing of the port as Port Royal. These funds must be expended at the direction of the Town Council of Port Royal with the approval of the State Budget and Control Board, solely for infrastructure, and shall have priority over all other expenditures except usual and necessary closing costs attributable to a sales contract.

STATE BUDGET AND CONTROL BOARD
MEETING OF August 9, 2011

REGULAR SESSION
ITEM NUMBER 8

AGENCY: Budget and Control Board

SUBJECT: Future Meeting

The next regular meeting of the Budget and Control Board will be held at 10:00 a.m. on Tuesday, September 20, 2011, in Room 252, Edgar A. Brown Building.

Schedule of Remaining Meetings in 2011

November 1
December 15

BOARD ACTION REQUESTED:

Agree to meet at 10:00 a.m. on Tuesday, September 20, 2011, in Room 252, Edgar A. Brown Building.

ATTACHMENTS: